Analysis of Joint Development Opportunities at Washington State Ferry Terminals

Final Report

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I. INTRODUCTION

The Washington State Department of Transportation (WSDOT) Innovative Partnerships Program commissioned a consulting team consisting of Strategic Economics, Van Meter Williams Pollack, and KPFF to explore the potential goals, opportunities and strategies for joint development in the Washington State Ferry (WSF) System.

Joint development is usually undertaken by public agencies who own land or air rights that are either not currently serving the agency's core mission, or could be "repurposed" for an alternative to its current use. This asset can be developed and proceeds from the development project flow back to the agency (see below for a more complete discussion of joint development). Joint development is seen as one possible way to help pay for needed terminal improvements, improve ferry operations, promote increased walk-on ridership, and provide other benefits to the WSF system. A recent directive from the Legislature requires WSDOT and the Ferries Division to proactively manage service demands and maximize the utility of existing terminals and facilities, rather than reacting to demand after the fact with large-scale facility requests. Previous planning efforts related to the ferry terminals often relied on large-scale capital investments to help WSDOT meet growing facilities needs. Because of this new focus, the strategies outlined in this report emphasize preserving existing facilities and reducing the cost of large scale redevelopment plans. The report examines whether joint development can be a useful strategy in achieving these objectives.

The report provides:

- A framework for understanding the types of joint development opportunities at WSDOT terminals, now and in the future;
- Information about property ownership, operational characteristics and the development context at each of the 19 ferry terminals; and
- An evaluation of specific joint development strategies at three terminals deemed to have the greatest joint development potential, in light of desirable outcomes for WSDOT.

Background on WSDOT – Ferries Division

The WSDOT Ferry System is the largest ferry system in the country, and the third largest in the world, with 19 terminals (20 including the terminal in Sydney, Canada). Ferries sail an average of 500 times a day and carries 24 million passengers each year. The system covers four corridors and 10 routes within the Puget Sound (see map on following page):

- The ***San Juan Islands Corridor*** includes routes from Anacortes to Friday Harbor and Sydney, Canada. Other stops along this corridor include Lopez Island, Shaw Island, and Orcas Island. The San Juan Islands Corridor has the lowest ridership numbers of all corridors in the system, with an average of 4,000 riders a day. However, the routes in this system are subject to dramatic fluctuations depending on the season. The peak season is the summer when most of the vessels are filled to capacity.[1]
- The ***North Sound Corridor*** includes two routes: Keystone to Port Townsend and Clinton to Mukilteo. The North Corridor is the second busiest corridor in the system with an average of 13,200 riders each day. These routes also experience a seasonal increase in the summer, as a result of passengers traveling to Whidbey Island or the Olympic

[1] Case Studies of Ferry Terminals and Related Transit-Oriented Development: Ferry/Gateway District Urban Design Plan, Van Meter Williams Pollack, LLP, August 11, 2006, For the City of Bainbridge Island.

Peninsula for recreation and tourism. The Clinton to Mukilteo route is also used by residents of Whidbey Island to connect to employment centers such as Everett and Seattle.

- The ***Central Sound Corridor*** is composed of three routes: Edmonds to Kingston, Seattle to Bainbridge Island, and Seattle to Bremerton. The Central Sound Corridor is the most heavily traveled corridor in the system with approximately 36,000 riders a day. Commuters travelling to work make more than 60 percent of trips within this corridor. As a result, ridership in the Central Sound Corridor is less seasonal than other routes.
- The ***South Sound Corridor*** includes two routes: Fauntleroy to Southworth via Vashon and Tahlequah to Point Defiance. The South Sound Corridor has the third highest ridership of any corridor in the system with an average of 11,000 riders per day. Like the Central Sound Corridor, ridership consists mainly of commuters and is fairly constant year round.

WSDOT Ferries System

Source: WSDOT

The majority of ferry passengers boarded in a vehicle: in 2006, 73 percent of weekday and 80 percent of weekend passengers accessed the ferry by auto.[2] The ability to accommodate vehicles both in holding areas and parking lots is of great importance to ferry operations and has a significant impact on whether land around the terminals may be considered for joint development opportunities. However, for some ferry lines, especially in the Central Sound Corridor, there may be a future opportunity to shift some ridership from "drive and ride" to "walk and ride." Under this scenario the WSF System would begin to take on the dual characteristics of a more traditional transit system that is traditionally driven by riders who either walk to a station/stop, or park in a designated lot and ride the system. Most transit agencies are now looking for ways to increase the number of walk and ride patrons to reduce the cost of parking, to respond to increased gas costs and the desire for patrons not to have to drive to ride transit, and to reduce potential greenhouse gas emissions.

[2] 2006 Origin Destination Onboard Survey: Analysis Report, June 2007, Washington State Department of Transportation

Strategies Used by Transportation Agencies to Benefit from Real Estate Development

Ferry service, like that of rail or bus, is provided by a public agency with the goal of offering opportunities for people to access locations throughout the region without having to depend entirely on an automobile. This service often has an equity component in that people without the means or desire to purchase an automobile are afforded an opportunity for regional mobility. But it also serves a broader regional and economic function of establishing fixed connections between disparate points in the region. Though the form of transportation may differ from what is typically thought of as transit, much of the public administration and financial challenges of operating the Ferries are similar to that of a transit system that operates bus or rail lines. For this reason, it makes sense to examine some of the strategies used by transportation agencies to generate revenue for their system through the development of real estate holdings. This section provides background about how transit agencies capitalize on the value of their real estate assets, including definitions of key terms used in this report. These strategies are reviewed in light of the types of opportunities that could exist in the WSDOT system.

In recent years, a great deal of attention has been focused on the benefits of transit-oriented development (TOD). Local and regional governments are promoting infill development near transit as a way to reduce traffic and urban sprawl. Meanwhile, real estate developers are increasingly viewing transit as an amenity that can increase the value of surrounding properties and lead to lucrative development opportunities. A number of studies of property values near rail stations show that, other things being equal, properties near transit have higher values.[3] Furthermore, because higher land values and higher development densities tend to go hand in hand, this can also translate into the potential for more intensive development.

Transit agencies are also increasingly interested in finding ways to generate value from their real estate assets and benefit from development near transit facilities. Rising construction costs and competition for scarce federal funds make it increasingly difficult to fund new transit systems or maintain existing ones. Joint development, development of agency owned land for a non-transit purpose that generates revenue for the agency, is seen as a potential source of income that could be used to pay for ongoing operating costs or capital investments in transit facilities. When development encourages increased transit ridership, this can provide additional revenue for transit agencies in the form of higher farebox revenues. Transit agencies are also looking to public private partnerships (PPP) as a way to team with the private sector to deliver new transit facilities.

The real estate strategies used by transit agencies can take a wide variety of forms, but most can be explained as a combination of transit-oriented development, joint development and/or public private partnerships. These terms are defined for the purpose of this report below.

Transit-Oriented Development (TOD)

Transit-oriented development, or "TOD," refers to the establishment of a quality land use mix, urban design, and road network near a transit station (or terminal), with the purpose of encouraging residents and employees to walk, bike, or take transit in order to access jobs, shopping, and services. Discussions of TOD often focus on a single development project near a transit station, however in practice, the most successful TOD encompasses an entire neighborhood, providing good pedestrian linkages and access to shared resources such as sidewalks, parks, and shopping.

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[3] See, for example, "*The Effect of Rail Transit on Property Values: A Summary of Studies*", Parsons Brinkerhoff, 2001.

Not all TOD consists of high-density development. The scale of development and mix of land uses found in TOD ranges widely, from relatively low-density neighborhoods to urban downtown areas. TOD may only include residential units, may have some convenience or neighborhood retail, or may include a greater mix of offices, retail and other uses.

The creation of successful TOD requires a good public street network and neighborhood amenities to encourage pedestrian activity and reduce dependence on the auto. Orchestrating the right kind of development can be very challenging because there can be a tension between making the transit system attractive for pedestrians and private development while also facilitating smooth transit operations. In some ways, the terminals in the WSDOT system represent an extreme version of this tension, where the need to facilitate auto queuing and ferry loading and unloading can conflict with the goal of promoting a quality neighborhood with good pedestrian connections.

From a transit agency perspective, TOD is beneficial because it concentrates activities near transit stations, encouraging ridership, and increasing farebox revenues. Furthermore, to the extent that transit agency-owned property can generate revenue from private development, it provides two sources of revenue for the agency, the second being through joint development. This is an important consideration for WSDOT, given that the system will need to accommodate a growing number of riders in the future, and the system-wide capacity for increased passengers is much greater for walk-on than drive-on passengers.

JOINT DEVELOPMENT

Joint development is a real estate development project that includes coordination between multiple parties to develop publicly-owned land. The term is frequently used as a synonym for TOD, however for the purpose of this analysis, it is important to make the distinction that TOD can occur near a ferry terminal on privately owned land, without participation by WSDOT.

From the transit agency's perspective, development around stations has the potential to provide revenues not only from the real estate transaction, but also from increased ridership resulting from a concentration of transit-oriented land uses near the station. A number of transit agencies such as Bay Area Rapid Transit (BART), Washington Metropolitan Area Transit Authority (WMATA) and King County Transit have entered into joint development agreements, however they offer mixed results as a source of revenue for transit agencies. One of the reasons is because properties adjacent to transit stations can be very complex to develop. Joint development projects often involve replacing an existing parking lot with structured parking, which can be very expensive. Furthermore, in many cases multiple stakeholders are looking to what are typically high-profile development projects for affordable housing or other community benefits that provide value to the local community but reduce the potential revenue stream for the transit agency.

The reason that people tend to conflate the terms "joint development" and "transit oriented development" is that joint development projects are also typically transit oriented development. This means that the development project occurring on the transit agency's land has two primary objectives. One is to provide revenue to the agency. But, the other is to provide ridership for the transit system. Ironically, these two goals are not always mutually supportive, and working to maximize revenue from a joint development deal may work against maximizing transit ridership. For example, transit agencies have built large office projects with expansive parking garages right next to a transit station. While the project pays considerable revenue to the transit agency, the presence of the parking structure and the pricing of the parking for employees makes it easy for workers to drive, rather ride transit. This conflict between ridership and revenue was a major

issue for WMATA several years ago, causing the agency to completely revamp its joint development program to emphasize ridership over revenue for all future joint development projects.

Joint development agreements can consist of a cost-sharing agreement, a revenue-sharing agreement, or a combination of the two. Cost-sharing agreements usually involve cooperation to pay for common infrastructure that helps to integrate transit with surrounding development. Examples of revenue-sharing agreements include ground lease revenues, air rights payments, or in some cases directly participating in rents or other revenues from development. Due to the complexity of many joint-development projects, and the fact that they are often mixed-use projects geared toward meeting multiple goals such as provision of affordable housing, local jurisdictions may assist with financing aspects of the project.

PUBLIC-PRIVATE PARTNERSHIP

The term public-private partnership (PPP) is often broadly used to refer to any type of collaboration between the public and private sectors. However, for this report PPP is defined more narrowly, as **a public entity partnering with a private entity to build and operate an infrastructure project (such as a transit system)**.[4] This definition is provided for the sake of context and clarification, however, this report does not include an analysis of how a PPP structure might be used to provide new terminals in the WSDOT system. Several transit agencies are using a public-private partnership (PPP) structure to deliver an entire transit corridor or even system, such as Denver's Regional Transit District. These arrangements usually do not include the private real estate development around a station, but are focused solely on construction and operation of the subject transit line or highway project. Typically, a private entity is formed to be responsible and financially liable for delivering the project. This private entity may also share in revenues from transit operations. The public agency then agrees to pay their private partner some form of guaranteed payment that covers any capital or operating deficits, should operating revenues be insufficient to pay these costs.

TERMINAL CONCESSIONS

In the context of the WSDOT system, ***a concession is a small business that operates at or in a ferry terminal, renting space from WSDOT.*** WSDOT has entered into agreements with private businesses at several of the ferry terminals that provide goods and services such as food and beverages, gifts, and parking, however in general this is not a major source of revenue for WSDOT. This report does not focus on the potential for new concessions at the ferry terminals because the viability of concessions at the terminals is heavily impacted by operational decisions and may change as a result of the operational strategies assessment that is currently underway (described in Section IV). A number of factors influence the demand for concessions at any particular terminal. For example, terminals where people congregate may have higher demand for concessions than those where riders do not have the ability to leave their queued cars unattended or where the terminal itself cannot physically accommodate a sizeable number of people gathering at one time. Wait times also have a major impact on whether concessions are feasible at a terminal, since demand for concessions is greater when ferry wait times are longer.

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[4]Goldman Sachs and JP Morgan, "Introduction to Public-Private Partnerships for Transit", presented to the Denver Regional Transportation District on October 10, 2007. This definition allows for a clear distinction between a joint development and a PPP.

Potential Benefits of Innovative Partnerships to WSDOT

The definitions and examples above are based primarily on research and strategies used for rail transit, not for ferry systems. Obviously, there are some critical differences between these types of transit systems that should be acknowledged. The WSDOT ferry terminals were designed as an extension of the WSDOT highway system. As such terminals locations were placed are at the points where a state highway meet the water's edge and are designed to efficiently move cars from the road to the ferry and vice versa. The terminals are typically not destinations in and of themselves, and most people waiting at the terminals consider themselves to be "en route" while they are waiting for a ferry. Likewise, passengers do not typically combine trips to the ferry with other kinds of auto trips, and the services these passengers seek when they are waiting for a ferry tend to be minimal. Therefore, to the extent that ferry patrons support ancillary commercial activities, these activities tend to be "convenience" oriented, such as gas stations, coffee and snacks, or other food service. In contrast, many transit stations are located in town centers or within a range of residential neighborhoods. Although rail patrons also do not necessarily combine their transit trip with shopping, the base density of activity around the transit station is often sufficient to support a variety of retail stores. The combination of the land use mix and transit allow people to drive less while taking care of their daily needs, including some shopping and their commute to work. This is essentially the definition of "transit oriented development." Thus the inherent locational imperative of ferry terminals makes them more challenging to do transit oriented development. As is discussed below, this does not preclude WSDOT from using a variety of approaches to obtain some benefit from its real property assets, however, where it can be successful, TOD/joint development is certainly the most lucrative benefit

There are five main ways WSDOT might benefit from development at or near ferry terminals:

1) **Revenue from development on WSDOT-owned land or in the air rights above ferry facilities (joint development).**

   Where market conditions are suitable and land is available for development without impacting future WSDOT facility needs, WSDOT could sell land or enter into a ground lease that allows for development while WSDOT retains ownership of the property. Which mechanism is used would depend on the nature of the site and the development project, as well as the desired nature of the revenue stream. It may even be possible to generate revenue by selling or leasing a property to another public agency.

   For areas with the potential for more intensive development, it may be possible to sell air rights above existing or new ferry facilities. The waterfront sites are in many cases spectacular, and could have the potential to generate very high property values if access constraints can be overcome.

2) **Entering into an arrangement with a private developer to provide improvements to ferry facilities in a more efficient manner or at a reduced cost.**

   Given that the current capital budget identifies millions of dollars of needed improvements but state resources are very constrained, joint development offers a new opportunity for WSDOT to leverage existing real estate assets to facilitate development projects that include new facilities and/or generate revenue with which to fund for other operational needs. This is most likely to occur as part of a larger project that integrates ferry facilities and private development.

3) Increasing ferry ridership and farebox revenues.

Locating complementary land uses, like residential and employment uses, near transit can generate additional ridership for the ferry system. Residential development near the ferry terminal on Bainbridge Island, for example, could target households that include downtown Seattle workers, which would result in a greater number of walk-on ferry riders. This transit-oriented development would benefit WSDOT regardless of whether the development occurs on WSDOT-owned land or within walking distance of the terminal.

4) Leveraging the contribution of other public partners.

Joint development projects are often complex and require cooperation among multiple public sector actors. The planning and cooperation among participants typically produces a project that meets mutually supportive goals. As a result, other sources of public funding may be available to assist with the likely financing challenges. This can be a "win-win" situation for WSDOT, the local jurisdiction, and any private development partners. For example, as part of a larger joint development project, a local jurisdiction could help to finance a project that includes a structured parking lot for transit commuters. In return, the local jurisdiction could benefit in the form of meeting other public goals, such as economic development, or in the form of increased tax revenues.

5) Other local and regional benefits.

There are many ways that development at or near ferry terminals can benefit not only WSDOT, but also local communities and the region. Traffic from ferry operations often has a negative impact on nearby residents and businesses, especially where holding areas are insufficient to meet ferry demand. Improving the efficiency of ferry operations at these terminals would not only have a positive impact on local traffic congestion, but could also improve the quality of life of local residents and the success of local businesses.

Promoting the right kind of development at or near ferry terminals can also offer regional benefits. Transit-oriented development, better pedestrian and bicycle connections to ferry terminals, and improved connections from the ferries to buses or trains can help shift some ferry riders from drive-on to walk-on, which would reduce regional traffic and pollution and improve quality of life.

Overview of Report Methodology and Contents

The analysis for this report was conducted in two stages. The first phase evaluated the potential for joint development within the entire WSDOT system, and identified the three terminals with the greatest potential for joint development: Seattle, Bainbridge and Edmonds. The second phase evaluated several joint development alternatives for each of these terminals and considers whether joint development is likely to be a useful strategy for helping WSDOT to achieve a variety of objectives, including generating revenue, reducing costs, providing needed transit facilities, and meeting other public objectives.

A summary of key findings and recommendations are provided in Section 2, and the system-wide assessment is described in Section 3. Sections 4 through 6 provide the detailed analysis of potential joint development strategies at the three terminals deemed to have the greatest potential (Seattle, Bainbridge and Edmonds). Information about the remainder of the terminals is provided in two Appendices. Appendix A includes information about terminals that were found to offer some longer-term potential for joint development. Appendix B includes information collected about terminals that were not found to offer opportunities for joint development.

II. KEY FINDINGS AND NEXT STEPS

Findings

This report explores the potential benefits of joint development at ferry terminals to the Washington State Department of Transportation (WSDOT). WSDOT owns properties at or adjacent to ferry terminals throughout the system. A three-phased process was used to assess the joint development opportunities at each terminal. The first phase identified terminals where there might be an opportunity for development, based on the physical characteristics of the ferry terminal and surrounding area. The second phase evaluated the terminals identified in the first phase in light of the general strength of the potential joint development opportunity, the ability to promote development that would increase farebox revenues, and the likelihood that joint development might assist in solving operational issues previously identified by WSDOT.

Because joint development frequently involves constructing multiple uses on land formerly occupied solely by transit operations, tension can exist between operational needs and the feasibility of other kinds of development. WSDOT is currently in the process of undertaking a separate operational assessment to identify ways to improve ferry operations, manage peak ridership, and maximize existing assets. In some cases, the adoption of new operational strategies could free WSDOT-owned land for joint development. But because such strategies have not yet been implemented, there is no clear yardstick for determining the availability of property for development. Based on conversations with WSDOT consultants, the analysis assumed that operational changes might make surface parking lots available for development in the future. The analysis also assumed that in areas with strong development potential, it might be feasible to build over existing facilities, and ferry terminals that have been identified as needing improvements might be redeveloped to incorporate additional land uses.

Seven terminals were identified as offering potential for joint development over either the short- or long-run:

- **Seattle/Colman Dock:** As a gateway to the City, the Colman Dock offers a unique opportunity for joint development. The existing terminal structure is in need of repair. A joint development project could offer an opportunity to work with the City and local transit agencies to meet shared goals and improve multimodal transit connections at the terminal.
- **Bainbridge**: WSDOT has already been working with the City of Bainbridge Island and other property owners to collaborate on a design and implementation plan for the Bainbridge Ferry Terminal and surrounding neighborhood. The plan envisions a mixed-use neighborhood that improves pedestrian connections from the terminal to the downtown. The terminal area offers a good opportunity for joint development based on the strength of the real estate market and proximity to downtown Bainbridge Island.
- **Edmonds**: Plans have long existed to relocate the Edmonds Terminal away from its current location as a way to reduce traffic conflicts with the railroad and downtown, however the project has not been funded. The existing terminal area is a superior development site because it is located between downtown Edmonds and the waterfront. Recent infill development in downtown Edmonds indicates that there is a market for new development. The terminal offers an opportunity to evaluate how joint development might facilitate redevelopment of the existing terminal area and/or the relocation of ferry facilities to a new location.

- **Mukilteo**: Plans have been developed to move the Mukilteo terminal as part of a broader plan to redevelop the waterfront area and reduce traffic conflicts created by ferry operations. As a development site, the Mukilteo terminal is more challenging than Edmonds, because it does not offer as strong a potential to connect to an existing downtown Nevertheless, Mukilteo offers another opportunity to assess how joint development at the existing terminal could assist WSDOT and other adjacent property owners in meeting shared goals.
- **Anacortes**: The Anacortes terminal could offer potential for joint development over the longer run. WSDOT owns a large parking lot within a short walking distance of the terminal, which is underutilized during the off season. From a market perspective, the development potential of the site is likely to grow over time. Because of the site's views and context within a predominantly residential area, the Anacortes site has strong potential as a residential development. However, the location within walking distance to the ferry and the role Anacortes plays as a jumping off point for travel within the San Juan Islands also suggest that there is market potential at the site for a development geared to ferry riders or tourists.
- **Friday Harbor**: The ferry terminal is located in downtown Friday Harbor, which includes a mix of retail, office and hotel uses, and has recently experienced some infill development. WSDOT owns two parking lots in town that are used as remote holding areas during peak periods. Should operational changes make these properties operationally unnecessary, it is likely that a strong market would exist for infill development at these sites.
- **Orcas Island**: WSDOT owns undeveloped land on a hillside overlooking the ferry terminal. If this property is not required for ferry operations, it would likely offer potential for tourist-related development, if development approvals can be obtained.

Following is a summary of the major conclusions from the analysis of joint development opportunities at each terminal, as well as general recommendations for WSDOT regarding joint development.

Specific Findings for High Priority Terminals

Although seven terminals within the ferries system have joint development potential, only three have the right real estate market conditions to support potential joint development in the near terms. The other four represent longer term opportunities. Given that the timeframe for these longer term sites is so unclear, this report focuses on the three near term sites, as described below:

BAINBRIDGE

The Bainbridge analysis tested a series of development alternatives that include development of a new hotel on the WSDOT-owned parking lot at the eastern edge of the terminal area. The analysis evaluated the feasibility of incorporating a waterfront park, renovated terminal building and replacement parking. Following are key findings from the analysis:

- **Hotel development on the WSDOT-owned parking lot at the eastern end of the Bainbridge Terminal could be financially feasible for a developer and also provide a return for WSDOT.** This return could be financial, or it could be provided in the form of terminal improvements.

- **Requiring a developer to renovate the ferry terminal or provide a significant amount of parking as part of a joint development project will likely necessitate a subsidy on the part of WSDOT to make the project feasible.** Although WSDOT will need to provide a subsidy to a hotel project that includes the terminal renovation or

replacement parking, it is likely that WSDOT can negotiate an agreement with a developer wherein the subsidy is significantly less than it would otherwise cost to provide the same facilities.

- **WSDOT and the City of Bainbridge can work together to meet shared goals.** A hotel project could be the first step toward implementing components in the broader vision articulated in the *Bainbridge Island/Ferry Terminal Gateway Plan*, including provision of a waterfront park and improved pedestrian connections between the terminal and downtown.

SEATTLE/COLMAN DOCK

The analysis for Colman Dock included two alternatives designed to test the potential for mixed-use development that could help to offset some of the costs associated with needed terminal renovations.

- **Mixed-use development at Colman Dock is financially feasible, but will not generate enough revenue to significantly offset the cost of needed capital improvements to Colman Dock.** Development of mixed-use liner buildings along Alaskan Way appear to be financially feasible, and could generate a modest amount of revenue for WSDOT. A development of this type could be implemented in the near term, once the timing and nature of changes to the Alaskan Way Viaduct are better understood.

  Additional office and retail development could also occur over a portion of the current holding area as a way to generate additional revenue for WSDOT but would not generate significant additional capital for the redevelopment of Colman Dock. A project of this type would need to be developed in conjunction with a new ferry terminal and more efficient holding area (which could be built under the current capital budget). Additional analysis is needed to understand whether a smaller but more efficient holding area would meet the operational needs of the system and free up space on the northern side of the trestle for private development. The operational assessment that is currently underway will help to shed light on this question.

- **Joint development can help to meet objectives of WSDOT and the City of Seattle.** The City is very interested in finding ways to reduce auto usage, improve the pedestrian environment, and increase connectivity between the waterfront and downtown. Mixed-use development at Colman Dock could help to further these goals, and also help to increase the number of walk-on ferry riders, which is a key goal of the current operational assessment.

  Given the City's interest in future development at and around Colman Dock, there may be longer-term opportunities to collaborate with the City to approach the planning and development of Colman Dock and surrounding properties from a district perspective. For example, it may be possible to leverage revenues from future development in the greater neighborhood, as well as at Colman Dock, to support neighborhood amenities such as a park, improved transit or pedestrian connections, or other enhancements to the neighborhood.

- **Decisions about when and how the Viaduct project will move forward significantly impact development potential at Colman Dock. WSDOT should wait until there is a resolution on this issue to evaluate when the best timing is for development at Colman Dock.** In the short term, there are serious questions about the feasibility and

marketability of new office and retail development because of the likely construction impacts associated with any of the alternatives currently being considered.

EDMONDS

Following are key results from the analysis:

- **A physical analysis found that many of the terminal's infrastructure issues could be solved in the terminal areas. However, these solutions require the utilization of land that WSDOT does not currently own and a substantial capital outlay for new ferry facilities.** The physical analysis found that the grade separation solution, redeveloped holding area, and a shared parking structure with Sounder can be accommodated in the existing terminal area on the large parcel bounded by Sunset Avenue, Main Street, Railroad Avenue, and Dayton Street. However, in order to implement this strategy and remain at the existing terminal, WSDOT will need to utilize land that they do not currently own.

- **A six-story condominium project with ground floor retail on the WSDOT and Skipper's sites is likely to be financially feasible once the housing market stabilizes.** The revenue to WSDOT from a development of this type is estimated to be about $1.3 to $1.5 million. These revenues could increase if the average sales price of the units exceeds $525,000.

- **A successful joint development strategy will require working closely with the City of Edmonds, Sound Transit and property owners.** WSDOT should engage with the City and neighboring property owners in the ongoing planning process. Participation in this process will signal WSDOT's desire to be a "good neighbor" to the City of Edmonds and is more likely to result in a plan that is mutually beneficial to all stakeholders and satisfies some of WSDOT's infrastructure needs.

- **The value generated from joint development on the WSDOT parking lot could be used to leverage targeted transportation improvements or public benefits as part of a larger redevelopment project including the antique mall site.** If the WSDOT and Skipper's properties are redeveloped in conjunction with the antique mall property, it creates significantly more opportunity to use joint development to leverage transportation improvements or other desired elements. For example, a larger project could include cooperation between the City, WSDOT, private property owners and Sounder to provide improved multimodal connections, shared parking, or public amenities, such as open space, etc.

General Recommendations

- **Establish system-wide joint development policies.** A joint development policy document will lay out the key goals and procedures related to development at the ferry terminals. All of the transit agencies that are most active in joint development in the US have stated policies that are designed to clearly lay out their objectives related to joint development, including the San Francisco Bay Area Transit District (BART), the Washington Metro Area Transit Authority (WMATA), and the Los Angeles County Metropolitan Transportation Authority (Metro). The document can provide, for example:

- A description of the general objectives of WSDOT in pursuing joint development, which might include encouraging new ridership, reducing auto dependence, providing needed facilities, fostering economic development, and other goals;
- Specific information about the process for marketing joint development opportunities and selecting development partners, including criteria for developer selection.
- Any key terms of expected development agreements; and
- An explanation of expected roles of WSDOT, local jurisdictions and the community in the joint development process.

Having a clear set of policies related to joint development will signal to interested parties that WSDOT is serious about implementing joint development, provide guidance to WSDOT as it embarks upon implementation, and provide important information for developers and local communities.

- **Engage with local jurisdictions as they plan for the areas near ferry terminals, and look for opportunities to develop partnerships and pursue shared goals.** Local planning efforts can have a major impact on the joint development potential at the ferry terminals. And conversely, ferry terminal operations often have a significant impact on local circulation, traffic and connectivity to the waterfront. Participating in planning efforts around the terminals at an early stage could offer opportunities to add value to WSDOT land holdings, improve communication with local jurisdictions, identify shared goals and promote beneficial implementation strategies.

  Transit agencies who engage in joint development typically work closely with local governments on matters related to land use, but the transit agency runs the solicitation process. Representatives from the local government can be included in reviewing the solicitations and in recommending a preferred developer, but the transit agency board is generally responsible for making the final decision as to which developer to select. It is critical to work closely with cities on determining the subject site's development program and doing everything possible to establish a clear path to entitlements prior to issuing a development solicitation. Under any circumstances, the developer will always be expected to go through the typical development review process, which includes vetting their development proposal with the community, as well as with the policy makers.

  A designated liaison from WSDOT could be responsible for staying abreast of the planning efforts that impact joint development opportunities at the terminals, and also act as a point of contact for local jurisdictions.

- **WSDOT will need a dedicated staff person to actively facilitate joint development at terminals.** This person should have knowledge of real estate and joint development goals, and be responsible for discussions with local agencies, developers and other potential development partners. For example, in the short term, staff could begin a conversation with the City of Bainbridge Island to ensure that future development on WSDOT property will be consistent with the City's plans. Having a solid working relationship between the two agencies will help to attract a qualified developer who otherwise may be leery of a project that requires approvals from two public agencies. While most transit agencies have dedicated staff to facilitate joint development, it is possible that this role could also be filled by an owner's representative

III. SYSTEM-WIDE ASSESSMENT

This section describes the methodology used to evaluate the joint development potential of terminals in the WSDOT system. The methodology was developed after a substantial amount of research, including:

- Visiting all nineteen ferry terminals and their surrounding areas;
- Reviewing background reports, aerial photos, ridership statistics and other data;
- Gathering information about property ownership, facility and operations characteristics and likely future changes; and
- Targeted demographic and real estate market research.

A three-phased process was used to assess the opportunities at each terminal and identify the terminals with the most joint development potential. In **Phase 1**, we used a "decision tree" to identify ferry terminals where there might be an opportunity for development, based primarily on the physical characteristics of the ferry terminal and surrounding area. In **Phase 2**, we evaluated the potential for joint development at each terminal in light of the strength of the development opportunity and its ability to promote development that would increase revenue from walk-on ridership.

This analysis allowed us to rank joint development opportunities in three categories: terminals with good short-term potential; terminals that may offer longer-term potential; and terminals with limited potential. For the terminals found to have the greatest potential, we conducted a more detailed exploration of joint development opportunities, including financial analysis of development alternatives (**Phase 3**). The methodology for the analyses varies somewhat according to the context at each terminal, however the general approach is described later in this section.

Because joint development frequently involves constructing multiple uses on land formerly occupied solely by transit operations, tension can exist between operational needs and the potential for other kinds of development. Recognizing that the primary function of WSDOT properties and facilities is to provide ferry service, this section begins with a brief discussion of ferry operations and implications for joint development.

WSDOT Operations and Facility Needs

The development potential at each ferry terminal is shaped by both current and expected future operational needs. For example, if a parking lot is underutilized, or a remote holding area is no longer needed, the property may be a candidate for development. Conversely, vacant or underutilized land next to a terminal may be needed for expanded ferry operations, and consequently should not be made available for development of other uses.

Concurrent to this study, a separate operational assessment is being conducted to evaluate ways to balance WSDOT's drive-on and peak demand, maximize the use of existing assets, and improve efficient and effective operation within each unique terminal and route. The recommendations of this analysis may influence the availability of land at several ferry terminals over the longer run. Given that this study has not yet been completed, we based our assumptions about current and future facility needs on a combination of:

- Information about currently planned terminal improvement projects;

- Information about current utilization patterns for parking and holding areas; and
- Discussions with consultants working on the operational assessment about strategies they are likely to recommend for the WSDOT system and likely impacts at specific terminals.

A general assumption is a terminal's auto holding area capacity should not be reduced unless it includes more than 1.5 times current vessel capacity. Also assumed is that in the future, parking lots might be managed in such a way as to reduce parking demand, unless the ferry route connects directly to Seattle (because these terminals are expected to require a high number of park-and-ride spaces). While two terminals have been considered for relocation (Edmonds and Mukilteo), this analysis focused on the existing terminal locations.

Based on information from WSDOT, the following terminals are already being considered for changes, however most of these projects are currently on hold pending the results of ongoing studies:

- Anacortes: A multimodal improvement project is in the planning stages. Desired components include a new terminal building, rebuilt slips, improved passenger loading, and improved pedestrian and bicycle access.
- Bainbridge: The City of Bainbridge is working to develop a plan that integrates an expanded ferry terminal with mixed-use transit oriented development in the surrounding neighborhood.
- Edmonds: Ferry operations in Edmonds suffer from inadequate access to the terminal area and delays caused by the railroad crossing. Plans have been developed to move the ferry terminal away from the town to Point Edwards, however funding for this project has not yet been secured.
- Mukilteo: WSDOT is exploring the possibility of building a new ferry terminal on property near the existing facility formerly owned by the US Air Force. The City adopted a plan for the terminal and surrounding area, and WSDOT is planning to build a new terminal that would offer connections to Sound Transit and bus service, as well as improved pedestrian and bicycle connections.
- Seattle/Colman Dock: The Colman Dock terminal is planned for reconstruction and expansion. Recent studies indicate that a co-development project could be feasible, and would likely require a partnership between WSDOT, the City and a private developer to implement.

Phase One: Assessment of Development Opportunities

Keeping in mind the likely operational needs at each of the ferry terminals, a "decision tree" (provided following the discussion of Step B) was used to identify a preliminary set of terminals that could offer opportunities for joint development, based solely on property ownership and surrounding land uses. Each of the steps in the decision tree is described below.

STEP A: Evaluate Property Ownership

The first step was to evaluate WSDOT property ownership in the vicinity of the terminals to determine whether WSDOT owns property that could be made available for development, or whether a significant amount of private development might be possible in conjunction with redevelopment of existing facilities.

STEP A: RESULTS

Based on the assessment conducted in Step A, the following terminal areas were removed from the analysis:

- Bremerton: WSDOT is partial owner in the ferry terminal facilities including, the new transit deck, terminal and holding area, which are not likely to be redeveloped in the near future.
- Fauntleroy: The terminal and holding area properties are leased from the Washington State Department of Natural Resources (DNR).
- Keystone: the site of the terminal and holding area is owned by Washington State Parks and leased to WSDOT.
- Kingston: The Port of Kingston owns the holding area, terminal and parking area.
- Point Defiance: WSDOT does not own property at this terminal. The holding area and terminal are leased from Metro Parks Tacoma.
- Port Townsend: WSDOT owns the ferry holding area only, most of which is over water.
- Shaw: WSDOT owns a very small holding area and parking lot.
- Talequah: WSDOT owns a small holding area and parking area, however much of the land consists of a forested hillside.
- Vashon: WSDOT property is limited to a very small parking lot.

STEP B: EVALUATE DEVELOPMENT CONTEXT

For terminals where WSDOT owns land that might be developed or re-developed, the next step was to assess whether the context was appropriate for more intensive development. This step was intended to screen out terminals located in environmentally sensitive areas or where the scale of existing development is such that a joint development project at the terminal is likely to be very undesirable to the local community.

STEP B: RESULTS

The terminals that were determined not to have potential for joint development based on their development context were:

- Clinton: WSDOT owns half of a park-and-ride lot, as well as the holding area (over water). The terminal area is surrounded by very low-density development.
- Lopez: WSDOT owns a small parcel that is not currently being used for ferry operations. However, the area near the terminal is very rural in character and is zoned Rural Farm Forest.
- Southworth: Although WSDOT owns a significant amount of land currently used for the holding area and parking, surrounding development consists mainly of single-family homes.

SUMMARY OF PHASE ONE RESULTS

As a result of this initial screening conducted in Steps A and B, we identified seven ferry terminals that might offer potential for joint development, either now or in the future. It is important to note that this evaluation was based solely on the availability of land at or near the terminal and the surrounding land uses and zoning, not the desirability of development at these terminals or the local political context. The terminals fell into four categories in terms of development opportunities, summarized in the table below.

PHASE ONE RESULTS: TERMINALS WITH DEVELOPMENT POTENTIAL

Terminal	Category of Development Opportunity
Seattle/ Colman Dock	Terminals where joint development could facilitate redevelopment and meet shared goals.
Bainbridge	Terminal where a plan is already in place that could facilitate redevelopment and meet shared goals
Edmonds Mukilteo	Terminals where relocation is under consideration due to major operational challenges
Anacortes Friday Harbor Orcas Island	Terminals where operational changes could make property available for development over the longer run

DESCRIPTION OF TERMINALS WITH DEVELOPMENT POTENTIAL

- Bainbridge: WSDOT owns a large parking lot, the holding area, and the Bainbridge Terminal. Other key properties are owned by the City of Bainbridge Island, King County Transit, and private entities. WSDOT has already been working with the City of Bainbridge Island and other property owners to collaborate on a design and implementation plan for the Bainbridge Ferry Terminal and surrounding neighborhood. The plan envisions a mixed-use neighborhood that improves pedestrian connections from the terminal to the downtown.
- Edmonds: WSDOT owns the holding area and ferry parking lot. The City of Edmonds and Port of Edmonds also own land near the terminal. Plans have long existed to relocate the Edmonds Terminal away from the current location as a way to reduce traffic conflicts with the railroad and downtown, however the project has not been funded. More recently, the City and local property owners have begun to explore ways to redevelop the area around the terminal in a way that improves connections between the downtown and the waterfront. The terminal offers an opportunity to evaluate how joint development might facilitate a broader redevelopment effort while also meeting WSDOT goals.
- Seattle/Colman Dock: Approximately half of the existing terminal area is owned by WSDOT, and the other half is owned by the state Department of Natural Resources (DNR). Additional property south of the terminal adjacent to Pier 48 is in the process of being transferred to WSDOT. Colman Dock is a gateway to the City of Seattle and previous studies have shown that there is potential for a major joint development project at this terminal, particularly if it incorporates adjacent underutilized property.
- Anacortes: WSDOT owns a large parking lot within a short walking distance of the terminal. Ridership in the San Juan Islands Corridor is seasonal, leaving the parking lot underutilized during part of the year. Over time, there could be a development opportunity at this parking lot if the existing parking spaces were replaced with structured parking.
- Friday Harbor: WSDOT owns the ferry holding area and two remote parking lots that are used as remote holding areas during peak periods. These parking areas could be attractive for infill development if they were no longer needed for ferry operations (e.g., if a reservation system reduced the need for spillover holding areas).
- Mukilteo: WSDOT owns the small holding area, parking lot and part of the right of way at this terminal. Like Edmonds, a relocation of the Mukilteo terminal is planned. This move is designed as part of a broader plan to redevelop the waterfront area, improve connections to the rest of town, and reduce traffic conflicts generated by the ferry. This terminal offers another opportunity to assess how joint development at the existing terminal could assist WSDOT and other adjacent property owners in meeting shared goals.
- Orcas Island: WSDOT owns a significant amount of land on the hillside overlooking the terminal. The land is currently undeveloped and could prove to be a development site in the future if WSDOT determines that operational needs at this terminal are satisfied.

Phase Two: Assessment of Joint Development Potential

In the second phase of the analysis, we took a closer look at the terminals identified in Phase 1 to see which ones offer the best potential for joint development in the short term. Each terminal was evaluated in terms of:

- The overall strength of the development opportunity and likelihood that joint development could have a positive outcome for WSDOT, both in terms of generating revenue and improving existing transit facilities; and
- The potential for generating increased walk-on passengers and farebox revenue through transit-oriented development (TOD);

The results of this phase of the analysis are provided as a matrix on the following page, and described below.

Real Estate Development Potential

Each of the terminals was reviewed in terms of the site's overall appeal from a real estate development perspective. Because joint development usually takes time to implement, the analysis focused less on current market conditions and more on the likelihood that a developer would find the site appealing given the characteristics of the property and surrounding area. Some of the characteristics that make these sites attractive to developers are: views of Puget Sound; proximity to vibrant retail districts; and the ability to get to several desirable destinations without using a car. The most appealing sites for development were found to be Seattle, Bainbridge, Edmonds and Friday Harbor. While Mukilteo is similar to Edmonds in many respects, the terminal area is more isolated from other development. Anacortes and Orcas Island were similarly found to only offer moderate appeal as a development site, due to the seasonal nature of tourism and the relative isolation of the properties.

Recent Development Activity Near the Terminal

Recent development activity near the terminals was evaluated as an indicator of real estate market strength. Edmonds, Bainbridge and downtown Seattle have all experienced a significant amount of recent development activity. Some new mixed-use development has also occurred in Friday Harbor, as well as townhouses and other residential development in Anacortes. Very little development has occurred recently near the Mukilteo or Orcas Island terminals.

Phase Two Assessment of Joint Development Potential

Red = Strong Potential

Orange = Moderate Potential

Yellow = Low Potential

	Central Sound Corridor			North Sound Corridor	San Juan Islands Corridor		
	Bainbridge	Edmonds	Seattle	Mukilteo	Anacortes	Friday Harbor	Orcas
Real estate development potential							
Recent development activity near terminal							
Need for new or expanded ferry facilities							
Connectivity to downtown or other development							
Potential for increased ridership from development							

Need for New or Expanded Ferry Facilities

As discussed previously in this section, the Seattle, Bainbridge, Edmonds, Mukilteo and Anacortes terminals have all been identified as requiring expanded or improved facilities. We considered the need for new or expanded terminal facilities because a larger planning effort provides an opportunity for including joint development as one piece of a larger plan. This broad planning framework may make it easier to assemble additional parcels than if a joint development project was being conducted in isolation.

Connectivity to Downtown or Other Development

Each of the terminals was evaluated based on proximity to a downtown or other areas that offers a mix of land uses, shops and services. These areas are not only more likely to be attractive for development because they are less isolated, but they offer opportunities for synergies among land uses. For example, with improved pedestrian connections, a resident of downtown Edmonds could walk to a restaurant near the existing ferry terminal. Likewise, office development at Colman Dock would benefit from being located near other employment and services.

The terminals with the greatest connectivity to other developed areas are Edmonds, Bainbridge, Seattle and Friday Harbor.

Potential for Increased Ridership from Development

As mentioned previously, in order for the WSDOT system to accommodate growth in ridership over time, a significant amount of growth will need to come from walk-on riders. However, the potential for TOD is limited by the location of the terminals and the places they connect. For TOD to be successful it must link a series of meaningful origins and destinations, such as residential areas and employment areas, giving people an opportunity to forego use of a car in favor of the ferry and other forms of public transit. Thus, the terminals with the greatest promise are ones that offer direct connections between neighborhoods with housing and neighborhoods with employment, such as Seattle, Bainbridge and Bremerton. There is also some possibility for TOD in areas that offer good connections to other forms of public transportation, such as commuter bus or rail (e.g., Edmonds and Mukilteo). However, most of the other ferry terminals are located in areas where development would not necessarily facilitate commuting to work, because an auto is required on both ends of the ferry route. Thus, only two terminals (Bainbridge & Seattle) offer immediate potential for increased ridership based on nearby development, at least given current ferry routes.

Summary of Phase Two Results

In Phase 2 we examined the seven terminals with potential for joint development more closely in order to determine which offer the best opportunities for development in the near term. Seattle, Bainbridge and Edmonds were determined to have strong development potential since all three have prime locations and other desirable physical attributes, such as Sound views and proximity to their respective downtowns and other development. Friday Harbor also scored highly on the measure of connectivity. Seattle, Bainbridge and Edmonds were also rated highly in terms of relative market strength based on the sizeable amount of recent development activity near each of the terminals. Plans for new or expanded terminals in Seattle, Bainbridge, Edmonds, Mukilteo, and Anacortes suggest that opportunity exists at these terminals for a larger planning effort that could include joint development. The final criterion we examined was whether development at the site has the potential for increasing ferry ridership. Seattle and Bainbridge offer strong potential in this regard because of their direct connection to major employment centers and the placement of the terminals in downtown centers. For example, a worker living at the Bainbridge

terminal can access a multitude of jobs in downtown Seattle on the ferry. On the other hand, because the ferry from Edmonds goes to Kingston, which is not a major employment center, it is less likely that development at this terminal will generate ferry ridership because few people live in Edmonds and commute to Kingston. Based on the analysis, Bainbridge, Seattle, and (to a lesser extent) Edmonds terminals were found to offer the greatest near term potential for joint development, and are recommended for more detailed study in the next phase of analysis. The other four terminals evaluated in Phase two, including Mukilteo, Anacortes, Friday Harbor and Orcas Island, scored lower on the criteria outlined in this section. This does not negate their overall potential for joint development but rather suggests that their promise as joint development sites is over the longer term.

More detailed information about each of the four terminals identified as having longer-term potential are provided in Appendix A of this report.

PHASE TWO: RESULTS

The Bainbridge, Seattle, and Edmonds terminals were determined to offer the greatest near term potential for joint development, and were selected for more detailed study.

Phase 3: Financial Analysis of Joint Development Opportunities

The Phase 3 analysis evaluated several joint development alternatives for each of the three terminals and considers whether joint development is likely to be a useful strategy for helping WSDOT to achieve a variety of objectives, including generating revenue, reducing costs, providing needed transit facilities, and meeting other public objectives.

For each of the three terminals, the consultant team suggested several development alternatives given site, market and regulatory conditions at each terminal. The alternatives were designed to respond to the operational and infrastructure needs at each terminal, to the extent possible. In every case, ensuring that WSDOT has ample space for operations is prioritized before the creation of private development sites. Assumptions about operational needs are current and informed by conversations with operators and engineers at Ferries. However, WSDOT is currently undertaking an operational assessment to identify ways to improve ferry operations, manage peak ridership, and maximize existing assets. As a result of this ongoing effort, there are still unresolved questions about the amount or type of ferry facilities that will be required at each terminal. Generally, this report assumes that the operational assessment will recommend ways to utilize existing facilities in a more efficient way.

All three of the terminals evaluated in this report have a demonstrated need for improvements to their operational infrastructure. In fact, all were previously marked for expanded (and in the case of Edmonds, relocated) facilities that may no longer be pursued under new policies. The analysis focuses on ways a joint development strategy might help to provide revenue to offset the expected capital expenditures required to improve ferry terminal facilities, as well as how to make the terminals a better “neighbor” within their communities. Where possible, the analysis looks for opportunities for WSDOT to phase development in an incremental way. The detailed analyses are provided in the subsequent sections of this report.

IV. BAINBRIDGE ISLAND TERMINAL

Introduction

The Bainbridge island terminal area presents one of the best opportunities for joint development within the ferry system. As described in Section III, the Bainbridge terminal area was identified as having a strong potential for joint development based on several factors:

- **Physical Development Opportunity**. WSDOT owns a large parcel at the terminal that is currently used as a parking lot. The current system-wide operational assessment introduces the possibility of re-evaluating how current facilities at Bainbridge are used, and how development of the parking lot might be leveraged to meet transit objectives and facilitate other public goals.
- **Supportive Public Efforts.** The City of Bainbridge Island has recently prepared a plan for the Ferry/Gateway district that envisions the area as a mixed use neighborhood with enhanced pedestrian and transit connections. This planning effort, and recent nearby development, acknowledges that there is a growing recognition of the potential for development at this location and a willingness by the City and adjacent property owners to engage with WSDOT in furthering shared goals.
- **Potential for Transit-Supportive Development**. The Bainbridge terminal area offers significant market potential for development, due to its waterfront location, proximity to downtown Bainbridge, and direct connection to Seattle. The Seattle to Bainbridge route has the highest ridership of any route in the WSF system, and transit-supportive development in the terminal area could help to enhance ridership and farebox revenues. Several examples of recent development near the terminal illustrate the strength of the real estate market, and development at the WSDOT site has the potential to be a catalyst that would help promote future development in the terminal area.

The consultant team evaluated the potential for joint development on the WSDOT-owned parcel located at the eastern end of the terminal area, focusing on the potential for a boutique hotel and restaurant adjacent to the terminal. This development could represent the first step toward realizing some of the goals envisioned in the Ferry/Gateway District Urban Design Plan. The analysis found that WSDOT can expect to extract a benefit from a joint development project on the parking lot at the eastern end of the Bainbridge Ferry Terminal.

Development Context

SETTING

Bainbridge Island is located in Kitsap County, east of the Kitsap Peninsula and due west of downtown Seattle. State Route 305 connects Bainbridge Island to the northern end of Kitsap Peninsula.

The Bainbridge Island Ferry Terminal connects the island to downtown Seattle. In 2006, the route carried an average of 18,000 riders per day.[5] The majority of trips made during the week

[5] WSDOT

Figure 4-1: WSDOT-Owned Land at Bainbridge Terminal

were to work or school. Weekend trips were made primarily for recreation or shopping purposes. The Bainbridge-Seattle route had the highest ridership of any route in the system in 2006. Bainbridge Island has a population of approximately 22,000 persons.[6] Seattle is the top location where Bainbridge residents work (34 percent).[7] Another 33 percent of residents remain on-island for work. The ferry ride from Seattle to Bainbridge is also one of the top tourist attractions in the state.

PROPERTY OWNERSHIP

WSDOT owns a large parking lot, the holding and terminal areas and property in a nearby undeveloped ravine (see Figure 4-1). The City of Bainbridge Island owns the property on the corner of Winslow Way and Olympic Drive. Kitsap County transit also owns a parcel that is occupied by a bike barn. In between these two properties are several other parcels owned by a handful of private owners.

RECENT PLANNING EFFORTS

The Ferry/Gateway District Urban Design Plan envisions the terminal area as a mixed-use gateway to Bainbridge Island. This planning effort involved the City, community, private property owners, Kitsap Transit and WSDOT – Ferries Division, as well as significant public participation. (See Figure 4-2)

This visioning effort foresees mixed-use residential, an inn, waterfront park, a kiss and ride, a new ferry terminal, new underground intermodal bus transit center, and waterfront open space at the site. This center would separate bus traffic from vehicular traffic on Olympic Drive, improving the efficiency of the bus service around the terminal. The plan also emphasized the importance of improving pedestrian and bicycle connections to the Terminal by creating an interconnected street network that would help to knit the ferry terminal area into downtown Bainbridge and the neighborhoods. The plan incorporates development of several large parcels currently used for parking, and would require cooperation between the City, Kitsap County Transit, WSDOT and private property owners.

The implementation strategy for the plan focuses on ways to leverage public investment in a new multimodal transit facility to facilitate development of the broader mixed-use neighborhood and park. Implementation of the plan is thus predicated upon substantial public investment and coordination between the three public agencies and the private property owners to facilitate the appropriate land swaps that need to occur to create the desired parcels. A key assumption of the plan is that much of the existing surface parking will be replaced in an underground structure as dedicated commuter parking.

A preliminary analysis conducted during the planning phase found that once the parking and transit structure are complete, development on top of the structure will be financially feasible on its own, but that this private development cannot afford to pay for the cost of providing commuter parking for ferry riders. The plan therefore assumes the parking structure and transit center will be publicly financed, which could include involvement by the City, Washington State Ferries and/or Kitsap Transit.

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[6] Claritas, 2007.

[7] Commute data from the US Census Longitudinal Employer-Household Dynamics Program.

Figure 4-2: Ferry/Gateway District Urban Design Plan

The Planning efforts for this area are on-going with a completed draft Environmental Impact Report (EIR) and alternatives developed and evaluated. The final "Preferred Alternative" is being developed by the City. All alternatives being considered include mixed-use development on the WSDOT property. Several other planning efforts are also underway in the Bainbridge area, including Winslow Tomorrow, SR 305 Corridor Vision, and the Waterfront Park Master Plan.

Because of the scale of the infrastructure needs identified through this planning effort and the level of coordination required across multiple public agencies and private landowners, this project will require a substantial subsidy to complete. Given the current budgetary climate and lack of clear financing options for a project of this magnitude, the joint development alternatives evaluated for this report are smaller in scale, and consider ways that development on the WSDOT-owned parking lot could help to facilitate some of the improvements envisioned in the plan.

Downtown Bainbridge Island

ZONING AND ALLOWED LAND USES

Currently, the terminal area is zoned "Ferry Terminal District," an overlay zone of the Mixed Use Town Center District. This classification allows for a variety of uses including retail, office, hotel, business services and multifamily residential. The City of Bainbridge is currently in the midst of updating their zoning for this area based on the Ferry/Gateway District Urban Design, and it is likely that some height and setback requirements could change in the future.

Development Opportunities and Constraints

TERMINAL FACILITIES AND OPERATIONAL NEEDS

Key aspects of the Bainbridge terminal facilities are summarized in Table 4-1 on the following page. The terminal area contains parking for over 600 cars, most on privately-owned lots. The holding area at the terminal has space for approximately 212 vehicles. Despite the large amount of land devoted to accommodating vehicles, terminal operations cause backups onto surface streets and up Highway 305. Cars frequently stage on the shoulder of the highway and the Winslow Way intersection is frequently impacted by ferry operations.

WSDOT has previously identified the Bainbridge Ferry Terminal as a target for a major renovation project and targeted several areas for improvements. These areas include improving access for non-motorized, motorized and transit users, lessening congestion on local roadways by expanding vehicle holding, undergoing passenger terminal facility improvements, and repairing aging structures to increase safety and reliability.

While there are some terminals where a reservation system could result in a reduction in the size of the holding area, thereby freeing-up more WSDOT-owned land for development, a reduction in the size of the holding area is not likely at Bainbridge, even if a reservation system is implemented.

Table 4-1: Bainbridge Island Ferry Operations

Route	Seattle - Bainbridge
Peak Use	AM commute
Ridership Base	Commuters
Volume of Ridership	6.5 million riders in 2006
Holding Areas	Holds 212 vehicles
Slips	2 slips
Vessel Capacity	202 vehicles
Crossing Time	35 minutes
Parking	160 spaces of paid parking on WSDOT land, managed by the City of Bainbridge Island; 465 spaces of paid parking on private lots
Terminal Property Ownership	WSDOT owns holding area and 160-space parking lot
Adjacent Property Ownership	Kitsap transit owns bus facility property; City of Bainbridge Island and private land holders own adjacent parking
Terminal Plans	Redevelopment of the terminal area is in the planning and environmental process

Source: WSDOT.

The question of how much parking is needed to support operations at the Bainbridge terminal, however, could have a significant impact on potential for joint development. Development of the WSDOT-owned parking lot is likely to result in a reduction in the number of parking spaces available at the terminal. While it is possible that some of the existing parking spaces could be replaced with underground or structured parking, this adds an additional cost burden for a development project. To shed some light on this question, the analysis of development alternatives considers the impact of including additional parking to support the ferry along with private development.

Opportunities for Private Development

From a developer's perspective, the Bainbridge terminal area is a very exciting and unique development opportunity. The proximity to downtown Bainbridge, direct connection to downtown Seattle via ferry, and the waterfront location with both sound and city views make it a highly desirable development site.

The Ferry/Gateway Planning efforts identified a hotel as a desirable use for the WSDOT site, and this use appears to have good market potential. The site is well-suited for a hotel because of its prime waterfront location, walking distance to downtown, the relative lack of supply of hotel rooms on Bainbridge Island, and the fact that the Seattle to Bainbridge route is one of the most popular ferry routes for tourists in the WSDOT system. A hotel project can also be built on a ground lease, allowing WSDOT an opportunity to maintain ownership of the land and still participate in a development project.

A housing project could also be considered for the site based on the relatively strong residential market in Bainbridge and some recent development near the terminal. However, a residential use would likely perform better from a financial feasibility standpoint if a larger development site was assembled, because this would allow the developer an opportunity to buffer the residential development from the Ferry parking and holding area. It is also important to note that condominium development is typically very challenging to implement as part of a ground lease transaction, and thus would likely require sale of the land to a developer. For these reasons, this analysis focuses on the viability of a hotel project.

It is important to note that the Bainbridge terminal area represents one of the best opportunities in the ferry system for promoting transit-oriented development that encourages more walk-on riders. This could be accomplished through development of a housing project that targets downtown Seattle workers, or a hotel that targets Seattle tourists. The terminal's context within Bainbridge Island also serves to strengthen its viability as a TOD. Its close proximity to several key transit connections as well as downtown shops and restaurants means that a resident or visitor could access multiple destinations on foot or via transit.

Evaluation of Joint Development Alternatives

This analysis considers two joint development alternatives for Bainbridge:

- Alternative A: A hotel and restaurant project, which could occur in conjunction with other improvements such as renovation of the existing terminal and/or the creation of a new a waterfront park.

- Alternative B: A hotel and restaurant project similar to Alternative A, but incorporating an additional level of underground parking for ferry commuters.

As mentioned above, these alternatives focus on the potential for joint development on the WSDOT-owned property in the terminal area, and as such do not incorporate the broader development program described in the Ferry/Gateway District plan. However, the project is consistent with the vision expressed in the plan, and could be a first step toward its implementation. A diagram of the project is provided in Figure 4-3. It is important to note that while the alternative is shown as including a waterfront park and plaza, only the cost of the plaza are included in the financial analysis.

Figure 4-3: Potential Joint Development at Bainbridge Island Terminal (Alternatives A and B*)

* Alternative B includes an extra level of underground parking for ferry commuters.

ALTERNATIVE A

The first alternative tests the feasibility of a high-end boutique hotel with 75 rooms and an upscale, destination restaurant in the hotel that takes advantage the site's waterfront location and spectacular Sound views. Hotel parking would be provided in an underground garage. As mentioned above, the cost of a 15,000 square foot plaza was also included in the project costs.

The analysis determined that development of a hotel and restaurant is likely to be financially feasible and could generate a reasonable return for both the developer and WSDOT. Table 4-2 shows the approximate annual revenue that could be achieved from a ground lease on the property, as well as an estimated net present value of the cash flow stream (the estimated amount a developer would be willing to pay for the property based on this development scenario). The analysis shows that a hotel project could generate a ground lease payment between $200,000 and $250,000 annually, or a one-time payment between $3 and $4 million.

It is interesting to note that the amount that WSDOT would receive from a ground lease is very close to the amount WSDOT typically receives annually from the existing surface parking lot. It is possible that the annual lease payment could be $300,000 or more if a developer successfully targeted a high-end hotel operator with room rates of approximately $300/night or more. Revenue payments could also be structured to increase over time, if the hotel is successful.

Table 4-2: Financial Analysis Summary Results

	Alternative A	Alternative B
Development		
Hotel/Restaurant Square Feet	71,000	71,000
Additional Ferry Parking	0	75
Estimated WSDOT Revenue/Costs		
Potential Annual Ground Lease Revenue	$200,000 - $250,000	$0
Capitalized Value	$3.0 - $4.0 Million	$0
Project subsidy required?	No	Possibly

It is possible that this project could be completed in conjunction with a renovated ferry terminal, however this would require WSDOT to contribute money from other sources. The estimated cost of a renovated terminal is approximately $10 million, which is greater than the value that joint development would generate for WSDOT.

A subsidy of roughly $6 to 7 million would be required to renovate the terminal in conjunction with a hotel joint development. In theory, a renovated and expanded terminal could generate some revenue to offset the cost of construction if it was designed with some retail space.

Transit Nexus: This project could generate revenue for WSDOT, or reduce the cost to WSDOT of needed renovations to the existing terminal building. By targeting a visitor-serving use, it would encourage off-peak and walk-on ridership and capitalize on the fact that the Ferry system is one of the region's premier tourist attractions. This project could also be a first step in achieving the City's vision for the terminal area, and WSDOT has an interest in seeing the plan fully realized since it will help to increase the number of walk-on passengers traveling on the Bainbridge to Seattle route.

Public Benefits: This project would advance the City's vision for the terminal area by including the construction of a new waterfront park and a plaza, along with a reconfigured passenger drop-off area at the ferry terminal. The project will also benefit the City by generating an estimated $400,000 in hotel/motel taxes annually. This should substantially offset any lost revenue from a reduction in parking taxes currently collected from the surface parking operation. The City and downtown businesses will also benefit from hotel guest spending.

ALTERNATIVE B

In Alternative B, an additional level parking (75 spaces) beyond what is needed for the hotel was added to the hotel development to test the impact of including ferry parking with the development program. (Depending on WSDOT's priorities for the development, terminal renovations could also be included as a part of this project but as in Alternative A, the combination of terminal renovations and underground parking would require a subsidy to be built.)

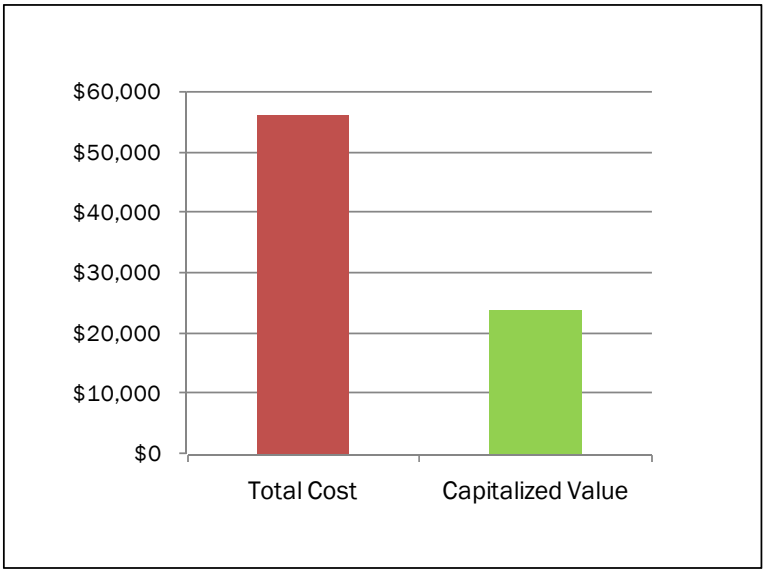
The financial feasibility analysis found that a hotel project that includes underground ferry parking is financially feasible to build, but is unlikely to generate a revenue stream for WSDOT. While the parking spaces would generate some revenue that would help to offset the cost of their construction, on their own, parking revenues are not high enough to justify the relatively high

cost of underground parking construction. Figure 4-4 shows the relative cost and value (based on expected revenues) for underground parking at the terminal. As shown, revenues from underground parking are not sufficient to compensate for their cost, requiring a subsidy of about $30,000 each.

Transit Nexus: This development program provides for new and improved parking facilities for ferry operations. It also offers the benefits discussed in Alternative A.

Public Benefits: In addition to the benefits already discussed, this project creates dedicated ferry parking, which the City has described as a priority in the visioning plan for the area. Maintaining parking on the site also allows the City to continue collecting parking taxes from the site.

Figure 4-4: Expected Development Cost vs. Value of an Underground Parking Space at Bainbridge Terminal



Conclusions

- **WSDOT can expect to extract a benefit from a joint development project on the parking lot at the eastern end of the Bainbridge Ferry Terminal.** Depending on the particulars of the project, the return to WSDOT could be a financial one, or be used to offset some or all of the cost of needed terminal improvements.

- **There is a trade-off between whether the benefits to WSDOT from joint development are in the form of revenue or new or improved facilities.** A hotel development on its own could generate revenue for WSDOT through a long-term ground lease or ground sale. Ferry parking could also be built as a part of a private development. However, WSDOT will need to prioritize one or the other; both a revenue stream and the construction of new infrastructure are not likely to come from the same project.

- **An assessment will be needed to determine whether the current parking on the Bainbridge site should be "replaced" as part of a development project.** The Bainbridge terminal facility differs from most other terminals in the system because it has a significant amount of walk-on ridership. It is unclear whether removal of the parking spaces currently on the WSDOT-owned site would be likely to have a negative impact on

ferry ridership, and the current system-wide operational assessment is not geared to address this question. The issue is further complicated by the fact that other ferry parking at Bainbridge is currently provided by private property owners and therefore may not be a long-term dedicated source. The assessment should consider the current parking usage, the expected future mode split at the terminal, and potential impacts to local transit service resulting from mode shift. The study should also take into account the inherent trade-offs between providing parking and the development of transit-supportive land uses near the terminal.

- **WSDOT can include terminal renovations and other improvements in the scope of a joint development project, however this will likely require a capital contribution on the part of WSDOT to make the project feasible.** Although WSDOT will need to provide a subsidy to a hotel project that includes the terminal renovation and other improvements, it is possible that WSDOT could negotiate an agreement with the developer where the subsidy they provide to the project would be less than the actual cost of building the terminal out-right. WSDOT could also work with a developer and the City to develop a waterfront park or other mutually beneficial improvements.

- **WSDOT and the City of Bainbridge should agree on WSDOT's approach to the site. This agreement should be conveyed to developers in the RFP.** Before moving forward with a development project, WSDOT should consult with the City of Bainbridge to ensure that the City will support the proposed project and grant the necessary zoning changes. Having agreement between the two agencies will help to attract a qualified developer who otherwise may be leery of a project that requires approvals from two public agencies. WSDOT should work with the City to find ways to finance mutually desirable improvements to the terminal area such as improved pedestrian connections and a waterfront park area. This development could occur in conjunction with or separately from a joint development project at the terminal.

V. SEATTLE/COLMAN DOCK TERMINAL

Introduction

The Seattle Terminal at Colman Dock is the busiest ferry terminal in the state, offering passenger/vehicle routes to Bainbridge and Bremerton, and a passenger-only route to Vashon. Approximately nine million riders and nearly three million cars pass through the terminal each year. Colman Dock was selected for more detailed analysis of joint development potential for the following reasons:

- **A Need for New Ferry Facilities**. Much of the ferry facilities at Colman Dock have been identified as in need of renovation over the next ten years. This provides an opportunity to think more broadly about the potential to incorporate private development in a way that can help to meet WSDOT and City goals.
- **Potential to Develop Transit-Supportive Land Uses that Encourage Walk-On Ridership.** Due to the fact that automobile space on the Seattle ferry has nearly reached capacity, much of the new demand for ferry service at Colman Dock will need to be accommodated by walk-on passengers, many of whom will be traveling to downtown Seattle jobs (currently, about one third of total ridership). Encouraging development of office uses near the terminal will help to facilitate increased walk-on ridership for the system. From a transit-oriented development (TOD) perspective, this is an important strategic location to consider joint development because it is one of the only terminals in the system located at a major regional employment center.
- **Strong Market for Private Development.** Colman Dock is a unique site on the Seattle waterfront, and one of the major gateways to the City. As a result, it has the strongest development potential of any of the terminals**.**
- **An Opportunity to Meet Shared Goals.** The City of Seattle is in the process of finalizing a waterfront plan that identifies Colman Dock as a key site on the waterfront, and the City Council has made recommendations about redevelopment of Colman Dock and expressed interest in cooperating with WSDOT in planning for the future of the terminal.

This section explores in more detail the potential for joint development at Colman Dock, including new mixed-use buildings along Alaskan Way and on the northern ferry trestle. The analysis finds that development on its own is likely to be feasible and could generate some revenue for WSDOT, but that it will not generate enough revenue to completely pay for needed terminal improvements.

Context

SETTING

Colman Dock is the busiest ferry terminal in the state, offering passenger/vehicle routes to Bainbridge and Bremerton, and a passenger-only route to Vashon. In all, about nine million riders and nearly three million cars pass through the terminal each year. Seattle is a major employment center, and a high proportion of ridership consists of weekday commuters.

Downtown Seattle

The existing terminal structure is in need of repair, and will require substantial upgrades to meet future ferry system demand. WSDOT has begun to explore options for joint development at the terminal, which may also include development of some adjacent land (described later in this section). Meanwhile, the City has completed a waterfront plan that identifies Colman Dock as a key site on the waterfront, and the City Council has made recommendations about redevelopment of Colman Dock and expressed interest in cooperating with WSDOT in planning for the future of the terminal. However, planning for the terminal is currently complicated by unresolved questions about the future of the adjacent Alaskan Way Viaduct.

Most new demand for ferry service at Colman Dock will need to be accommodated by an increase in walk-on passengers. Currently, walk-on passengers represent 43 percent of weekday passengers on the Seattle to Bainbridge route, and 51 percent on the Seattle to Bremerton route. A high percentage of these passengers are traveling to jobs in the Seattle Central Business District (CBD); 34 percent of passengers on the Bremerton route work in the CBD, and 29 percent on the Bainbridge route.

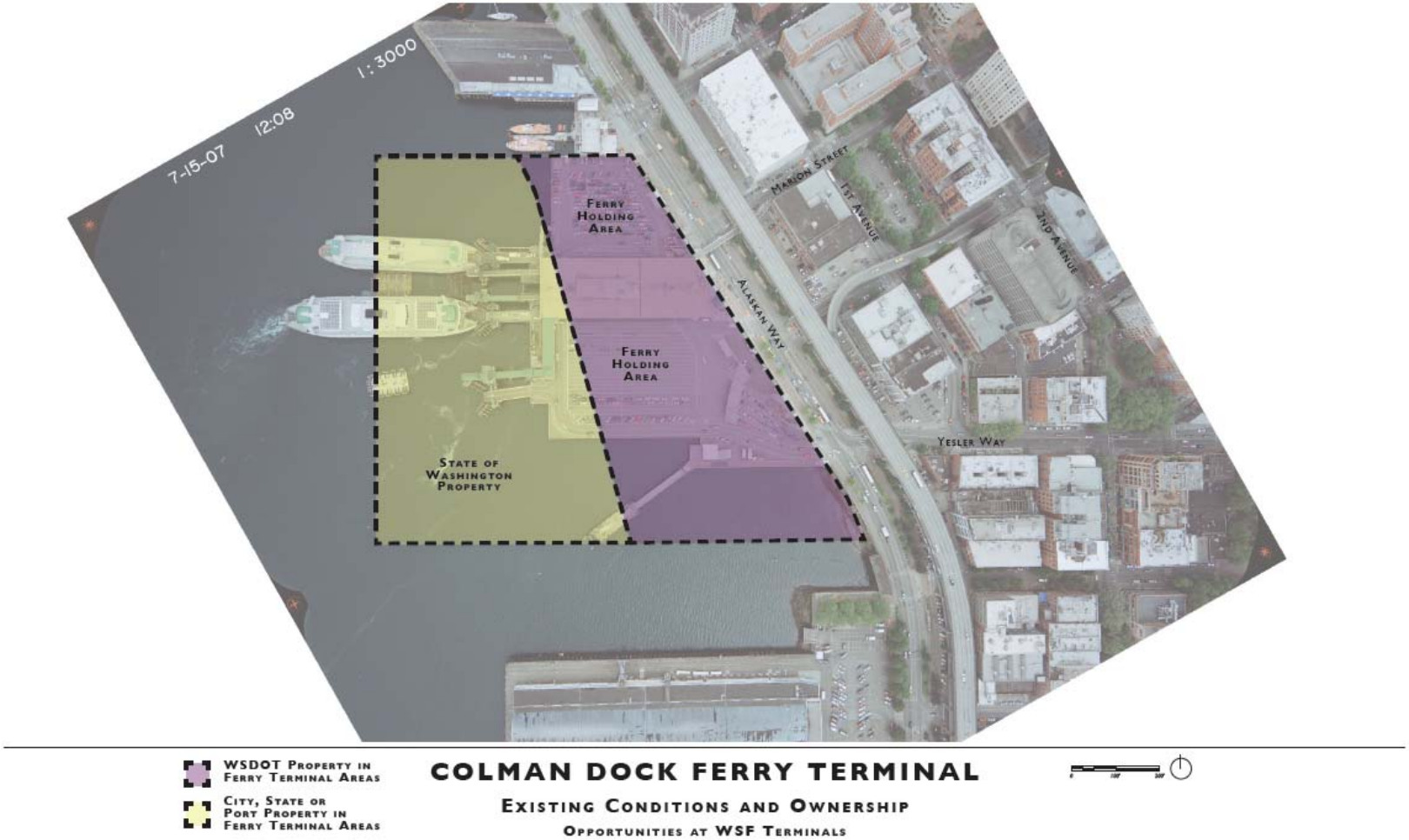
Not surprisingly, most commuters on the Bainbridge route come from Bainbridge Island (37 percent from South Bainbridge Island and 22 percent from North Bainbridge Island). An additional 13 percent come from other parts of north Kitsap County. On the Bremerton route, passengers are most likely to come from West Bremerton (26 percent) and Greater Silverdale (22 percent).

PROPERTY OWNERSHIP

Most of the Seattle Terminal is located over the water, with about half of the existing terminal area owned by WSDOT, and the other half owned by the state Department of Natural Resources (see Figure 5-1).

Additional property south of the terminal is currently owned by the Port of Seattle and is in the process of being transferred to WSDOT. The property includes both Pier 48 and the upland area attached to it. WSDOT plans to use the property for construction staging during the replacement of the Alaskan Way Viaduct. Over the longer term, the pier could be destroyed and the overwater coverage used to expand Colman Dock. While initial stages of our Phase 2 analysis looked at the long-term potential for development on this property, it is not a focus of this analysis due to uncertainty surrounding the timing and nature of the viaduct replacement.

Figure 5-1: WSDOT-Owned Land at Colman Dock



Recent Planning Efforts

The City is in the process of completing a waterfront plan that identifies Colman Dock as a key site for development on the waterfront and a regional transit hub. City goals include placemaking, improving public access to the waterfront, and providing cultural amenities. These goals also reflect the sense that Seattle's waterfront represents a significant cultural and ecological resource for the entire community and that all development must benefit the local ecology, contribute to the economy, and address equity issues through good waterfront access. The plan contemplates allowing a variety of land uses at Colman Dock, including retail, exhibit space and hotel, if they help to meet public objectives such as public access and preserved views, and extending Pioneer Square toward the waterfront.

Based in part on this planning process, the City Council has made recommendations about the redevelopment of Colman Dock and expressed interest in cooperating with WSDOT in planning for the future of the terminal.[8] These recommendations focus on a desire to ensure that future plans for Colman Dock are designed to minimize traffic impacts, improve the pedestrian environment, integrate the waterfront with the downtown, and enhance the natural environment.

WSF has previously focused some effort on exploring and defining development opportunities at Colman Dock. A consultant team evaluated a wide range of redevelopment options, many of which incorporated a significant amount of commercial development. The key implications of this analysis are discussed later in this section.

Planning for the terminal is currently complicated by unresolved questions about the future of the adjacent Alaskan Way Viaduct. WSDOT is working with the Federal Highway Administration (FHA) and the City of Seattle to evaluate and implement improvements to SR 99 in the central waterfront area, which could consist of an elevated structure, a tunnel, or a surface alternative. The ultimate decision about SR 99 will have a major impact on the development possibilities at Colman Dock, and will need to be integrated with plans for future vehicle circulation in and around the terminal.

Zoning

Colman Dock is located in the Downtown Harborfront District, which limits heights to 45 feet. The municipal code allows for a variety of commercial uses, however residential uses are not allowed over the water.

Development Opportunities and Constraints

Terminal Facilities and Operations

The current terminal facilities at Colman Dock are summarized in Table 5-1. The existing Seattle Terminal structure is in need of substantial renovation, particularly the trestle under the north side of the holding area. WSF estimates that the total cost to replace the current trestle and renovate the existing terminal building is $177 million.[9] According to the current construction program, these improvements are planned to occur between 2009 and 2017. Additional improvements, including the costs to preserve the transfer span and slips, are estimated to cost another $120 million. The analysis later in this section explores whether joint development at the terminal might help to offset some of these costs.

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[8] Resolution 31028.

[9] WSF 16-Year Capital Budget.

Table 5-1: Seattle/Colman Dock Ferry Operations

Route	Passenger/vehicle routes to Bainbridge and Bremerton; passenger-only route to Vashon[1]
Peak Use	Weekday commute and summer weekends
Ridership Base	Commuters and tourists
Volume of Ridership	9 million riders in 2006
Holding Areas	658 total spaces; 40 lanes
Slips	3 slips + 2 passenger-only landings
Vessel Capacity	Passenger/vehicle ferry capacity ranges from 124 vehicles/1,200 passengers to 202 vehicles/2,000 passengers; passenger-only ferry has capacity for 250 riders.
Crossing Time	Seattle - Bainbridge: 35 minutes Seattle - Bremerton: 1 hour Seattle - Vashon: 35 minutes
Parking	None
Terminal Property Ownership	WSDOT and DNR
Adjacent Property Ownership	Ownership of adjacent properties in process of transferring to WSDOT
Terminal Plans	Plans for upgrading and expansion; possibility of a joint-development project contemplated.

Source: WSDOT

The operational assessment currently underway is focused on finding ways to minimize the need for expensive capital projects and making the most of existing facilities. As discussed in the introduction to this section of the report, development near the terminal, particularly of office uses, could help to facilitate increased walk-on ridership and enhance farebox revenue.

OPPORTUNITIES FOR PRIVATE DEVELOPMENT

From a private development perspective, the Seattle Terminal offers a unique opportunity for development along the Seattle waterfront at one of the main gateways to the City. In 2005 and 2006, a team of consultants explored the potential to incorporate private development into a new and expanded ferry terminal. At that time, it was expected that the Seattle Terminal facilities would be completely rebuilt and expanded to include additional holding area and parking. The consultant team evaluated a variety of development schemes to see if they were likely to be profitable enough to be financially feasible for a developer to build and provide some ongoing revenue to WSF. Some of the alternatives also included components that were desirable from a public benefits perspective, such as public open space, improved views, and a pedestrian promenade.

The previous consultant team prepared a comprehensive market analysis for the site, and found that demand existed for a number of uses, including retail, restaurants, hotel and office uses. Residential uses were not seriously considered at Colman Dock because they are not allowed over water. Overall, the previous analysis found that a significant amount of new commercial or retail square footage would be required to generate enough revenue to offset the costs associated with expanding the terminal, parking and holding area, and adding structural support to the pier to support commercial development above.

The analysis below assumes a more modest development scenario, in keeping with the current focus on limiting costs, improving the efficiency of operations, and focusing on uses that are transit supportive. One option for development at Colman Dock is the construction of mixed-use buildings with ground floor retail and office above in "liner buildings" along Alaskan Way. Liner buildings would be relatively inexpensive to construct (compared to building over the existing trestle), and have the added benefit of providing an active street edge and an improved pedestrian environment along Alaskan Way. As mentioned previously, office uses at the Seattle Terminal would offer the benefit of encouraging walk-on ridership, and street-level retail could help to extend the pedestrian realm along Alaskan Way. Another option, described in detail below, looks at whether building over part of the existing holding area could help offset the cost of reconfiguring a smaller, yet improved and more efficient ferry terminal and holding area.

It should be noted that, as of the time of this report, there are outstanding questions about the future of the Alaskan Way Viaduct (SR 99), which may be rebuilt or torn down and replaced with a surface alternative. Any of these major construction projects will have significant implications for the development potential at Colman Dock. In the near term, the uncertainty surrounding the future of the Viaduct makes development particularly challenging, and construction is likely to impact the desirability of real estate along Alaskan Way. Over the longer term, a surface alternative is expected to have a very positive impact on the real estate market west of Alaskan Way, improving connections to Pioneer Square and the Central Business District.

Analysis of Alternatives

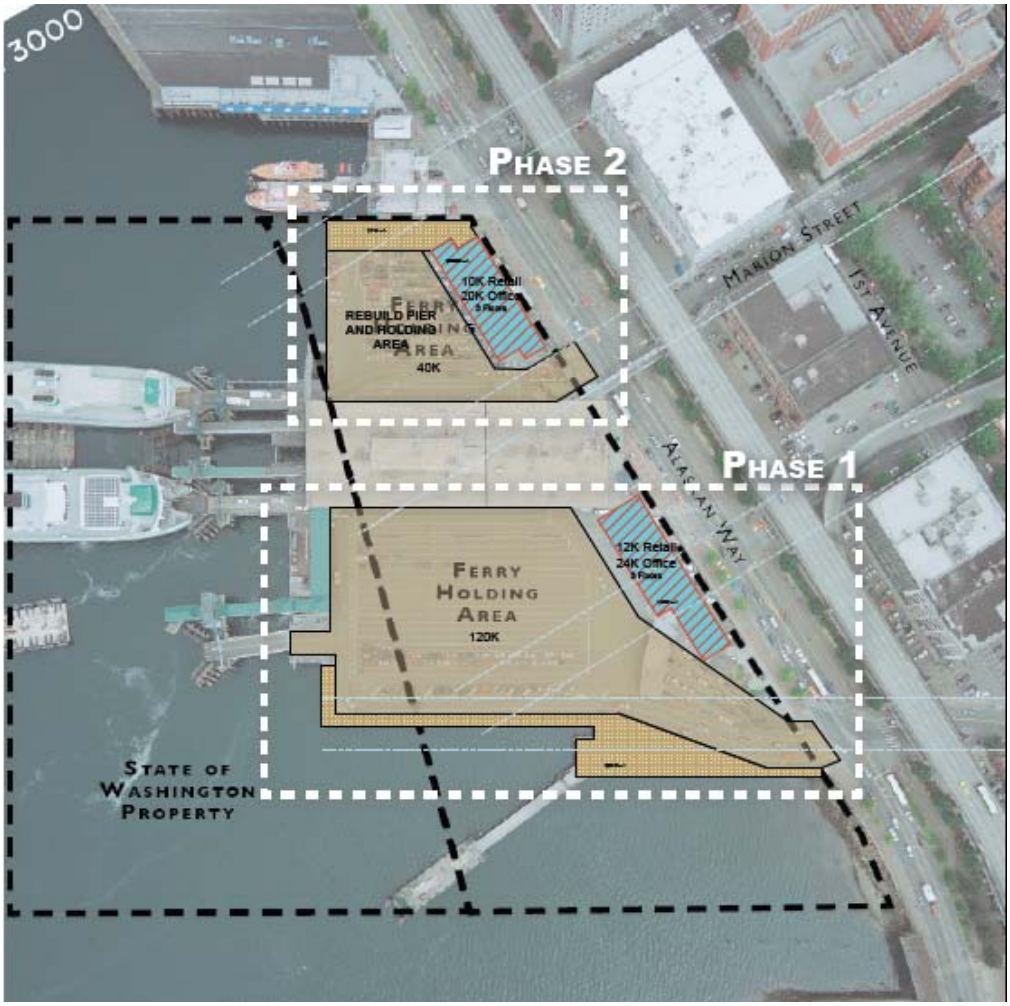
The two development alternatives tested at Colman Dock are discussed in detail below.

ALTERNATIVE A

Alternative A tests the feasibility of developing three-story mixed-use liner buildings with ground floor retail and two floors of office along Alaskan Way. This development could be built in two phases, as illustrated in Figure 5-2. The second phase would not be possible until after the trestle on the northern side of Colman Dock is rebuilt. (Note: the trestle improvements are not included as a cost in this analysis.) The analysis assumes that the liner buildings in Phase I would not

require additional trestle upgrades beyond what is already contemplated by WSDOT because they are along the street rather than over the water. This analysis also assumes that the ferry terminal will stay in the existing location.

Figure 5-2: Alternative A Mixed Use Development along Alaskan Way



The analysis tested the feasibility of development assuming the project(s) would be able to achieve office and retail rents that are generally comparable to other new space in the downtown area – about $38 per square foot (triple net) for retail and about $35 per square foot for office (full service). The analysis assumes that because the project would be located in the downtown adjacent to the ferry terminal, it could be built with no dedicated parking for office or retail. This is also consistent with City requirements, which do not specify minimum parking requirements in the downtown.

At these rents, the liner buildings could be financially feasible to develop and also generate a return for WSDOT. Table 5-2 shows the approximate annual revenue that could be achieved from a ground lease for each phase, as well as an estimated net present value of the cash flow stream. The combined two phases of development could generate approximately $185,000 in ground lease revenues annually, and this payment could be structured to increase over time to

account for increased revenues. The total value of the future ground lease payments is conservatively estimated to be $2.9 million over twenty years.

Transit Nexus: This project has the potential to generate an annual lease payment, which could be used to meet infrastructure needs or an ongoing source of revenue. In addition, mixed-use development would improve pedestrian connectivity and encourage walk-on ridership by providing office space near the terminal that riders could easily access without a car.

Public Benefits: The alternative helps to buffer the ferry operations from other uses in the area, helping to improve the value and development potential of adjacent properties. The plan also helps to create a more active pedestrian realm on Alaskan Way, which could help to further revitalize the area between downtown and Pioneer Square. Transit-supportive development near the terminal could also help to further the City goal of encouraging transit usage and reducing auto traffic in the downtown.

Table 5-2: Estimated Revenues from Alternative A Mixed-Use Development at Colman Dock[10]

	Phase 1	Phase 2	Total Both Phases
Development			
Retail Square Feet	12,000	10,000	22,000
Office Square Feet	24,000	20,000	44,000
Total Square Feet	36,000	30,000	66,000
Estimated WSDOT Revenue			
Potential Annual Ground Lease Revenue	$100,000	$85,000	$185,000
Capitalized Value	$1.6 Million	$1.3 Million	$2.9 Million

*Estimated amount of a long-term ground lease estimated at 20 years. The annual potential revenue is likely to be the same under a lease with a longer term.

ALTERNATIVE B

Alternative B is a more ambitious development program that includes mixed-use development on the northern trestle of Colman Dock, as well as along Alaskan Way. The program is illustrated in Figure 5-3 and could be implemented in three phases of development:

Phase 1: Development of three-story, mixed-use liner buildings along Alaskan Way, similar to the ones evaluated in Alternative A.

Phase 2: Development of an additional mixed-use liner building along Alaskan Way and a new terminal building, reconfigured to allow for a more efficient holding area (of reduced size). This

[10] Potential annual payment to WSDOT calculated as net operating income after 12% developer return, calculated before financing. Capitalized value estimated conservatively using an 8% discount rate.

phase would also require renovation of the northern segment of the trestle in anticipation of Phase 3.

Phase 3: Development of a new four-story, mixed-use office and retail building on the northern trestle of Colman Dock, including very desirable office space with views of the water and downtown Seattle.

The analysis assumes that the existing terminal building would need to be relocated to allow for the creation of a more efficient holding area. The current holding area spans the entirety of Colman Dock, however the middle section under the terminal building is supported by columns that interfere with the space's functionality as an area for holding cars or for loading and unloading vehicles. This alternative assumes that the holding area is reconfigured to be smaller but more efficient by removing the obstacle of the columns in the middle of the holding area. This creates one large holding area rather than two smaller holding areas bisected by the underpinnings of the ferry terminal. This configuration is advantageous from an operational perspective because it gives WSDOT more flexibility when loading boats to Bainbridge and Bremerton.

Figure 5-3: Alternative B Mixed-Use Development at Colman Dock

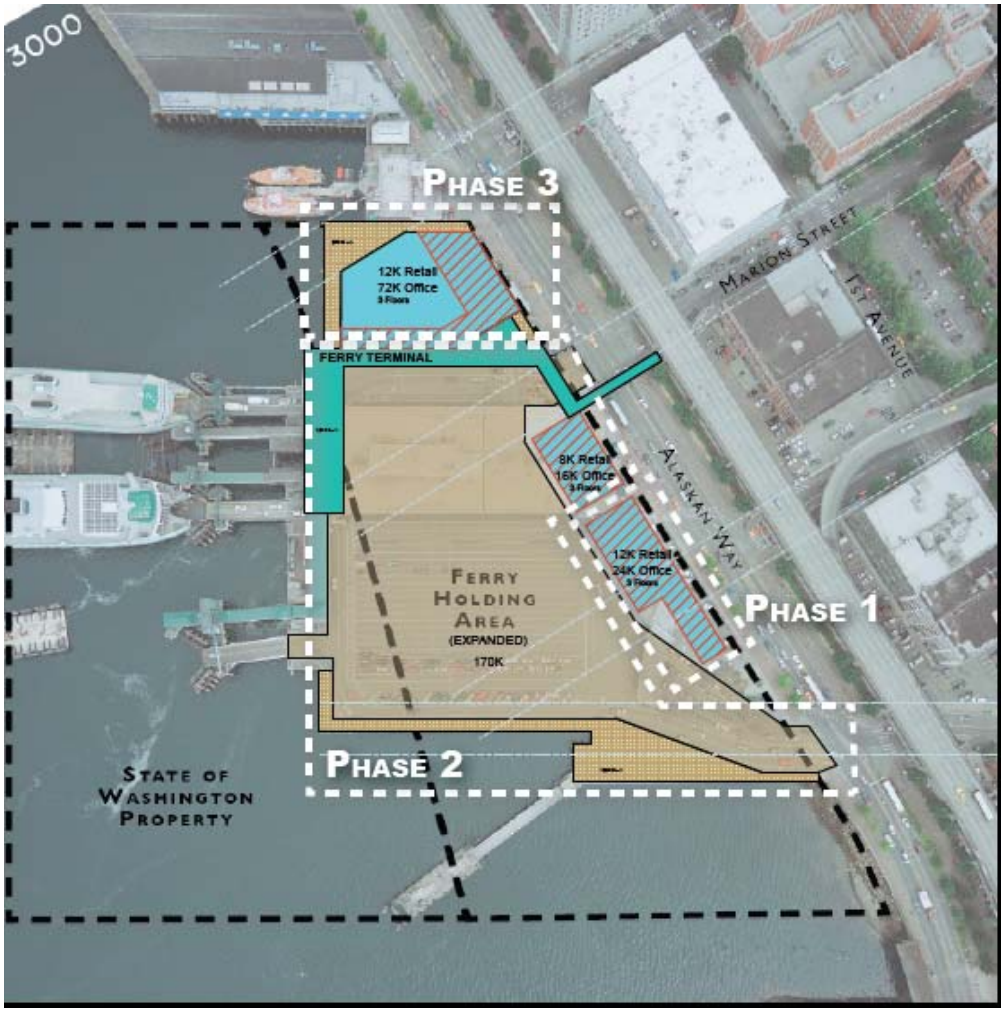


Table 5-3 provides an estimate of the potential revenue from private development at Colman Dock that could be used to offset budgeted capital improvements. The analysis incorporates the following key assumptions:

The mixed-use liner buildings in phases 1 and 2 along Alaskan Way are assumed to have the same per-square foot costs and revenues as in Alternative A.

The office space in a larger office building with water views would be expected to achieve higher rents, estimated at an average of $43 per square foot (full service). The estimated rent was discounted to reflect the fact that on-site parking would not be provided. Development costs include the additional cost of building a foundation over the northern trestle, which must occur so the trestle can support the weight of a building.

As shown, the first phase of development, which includes the first liner building, has the potential to generate about $100,000 annually from a long-term ground lease, or about $1.6 million from a pre-paid ground lease, subject to the caveats about SR 99 described in Alternative A.

The second and third phases are predicated on redeveloping the existing terminal, reconfiguring of the existing holding area, and improvements to the northern trestle. According to WSF cost estimates, the rebuilt terminal is expected to cost approximately $38 million and improvements to the trestle will be another $139 million. These costs are not included in the financial analysis of mixed-use development.

Table 5-3: Estimated Revenues from Alternative B Mixed Use Development at Colman Dock

	Phase 1	Phase 2*	Phase 3*	Total All Phases
Development				
Retail Square Feet	12,000	8,000	12,000	32,000
Office Square Feet	24,000	16,000	72,000	112,000
Total Square Feet	36,000	24,000	84,000	144,000
Estimated WSDOT Revenue				
Potential Annual Ground Lease Revenue	$100,000	$100,000	$370,000	$570,000
Capitalized Value	$1.6 Million	$1.6 Million	$6.5 Million	$9.7 Million

*Estimated amount of a long-term ground lease estimated at 20 years. The annual potential revenue is likely to be the same under a lease with a longer term.

Relocation of the terminal building would make it possible to build additional liner buildings, which could generate an additional $70,000 annually (or about $1 million from a pre-paid ground lease). Given the relatively small scale of this second phase of mixed-use development, it may make sense to delay the phase 1 development until after the terminal is rebuilt, so that the liner buildings can be built at one time.

The third phase consists of a four story mixed-use building located on the northern trestle. The analysis shows that revenue from joint development could, conservatively, help to offset about $6.5 million of capital costs if prepaid on a ground lease, or generate $370,000 in annual revenue.

It is important to note that a taller building has the potential to generate additional revenue for the ferry system. For example, the four story, mixed-use building could be increased to a six-story building without a significant increase in per-square foot costs.[11] This could generate additional revenue of approximately $140,000 annually, or $2.4 million in value/up-front payment. A high-rise building over ten stories would generate a significant amount of additional revenue, however no single building is unlikely to offset the cost of the entire trestle.

Transit Nexus: Alternative B has the potential to generate ongoing revenues for WSDOT, or to offset the cost of planned improvements to Colman Dock. In addition, moving the terminal has the potential to create a more efficient holding area, although additional analysis would be required to understand whether the size would be sufficient to meet operational needs. The greater amount of mixed-use development in this scenario could also promote greater walk-on ridership and increased farebox revenues.

Public Benefits: As in Alternative A, this option helps to improve pedestrian connectivity and street vitality in the area around the station, buffer the ferry operations from other uses in the area, and could help to further the City goal of encouraging transit usage and reduced auto traffic in the downtown.

Conclusions

Following are key findings from the analysis of joint development at Colman Dock:

- **Joint development can help to meet shared objectives of WSDOT and the City of Seattle**. The City is very interested in finding ways to reduce auto usage, improve the pedestrian environment, and increase connectivity between the waterfront and downtown. Mixed-use development at Colman Dock could help to further these goals, and also help to increase the number of walk-on ferry riders, which is a key goal of the current operational assessment.

- **Development of liner buildings along Alaskan Way appears to be financially feasible, and could generate a modest amount of revenue for WSDOT.** This development could occur without having a major (physical) impact on current ferry operations and facilities. However, uncertainty about the future of SR 99 means that it may not make sense to move forward with development along Alaskan Way at this time.

- **A mixed-use building with office and retail on the northern trestle could also be feasible to develop and generate additional revenue for WSDOT, without generating additional unbudgeted capital costs for redevelopment of Colman Dock.** This building would need to be developed in conjunction with a new ferry terminal and more efficient holding area, which could be built under the current capital budget. Additional analysis is needed to understand whether a smaller but more efficient holding area would meet the operational needs of the system and free up space on the northern side of the trestle for private development. The operational assessment that is currently underway will help to understand what the holding requirements are for Colman Dock.

- **Decisions about when the Viaduct project will move forward significantly impact development potential at Colman Dock. WSDOT should wait until there is a resolution on this issue to evaluate when the best timing is for development at Colman Dock.** In the short term, there are serious questions about the feasibility and

[11] The costs of improvements to the northern trestle are estimated to be 10% of a project's hard costs.

marketability of new office and retail development because of the likely construction impacts associated with any of the alternatives currently being considered.

- **While joint development at Colman Dock has the potential to generate some revenue for the Ferries, a much larger increment of private development would be required to significantly offset the cost of needed terminal improvements.** Given the City's interest in future development at and around Colman Dock, and the extent of current planning efforts, there may be an opportunity to collaborate with the City to approach the planning and development of the property from a district perspective. For example, it may be possible to leverage revenues from future development in the greater neighborhood as well as at Colman Dock to support neighborhood amenities such as a park, improved transit or pedestrian connections, or other enhancements to the neighborhood. Many major urban joint development projects involve this kind of cooperation between multiple stakeholders. One example is the Transbay Terminal project in San Francisco. The project is expected to serve as a catalyst for development in the surrounding neighborhood and meet broader public goals. In San Francisco, some of the value created by new development within the district will be captured using tax increment financing and reinvested in the Terminal project, as well as affordable housing and public open space.[12] Despite a lengthy planning process, cooperation between public and private entities has led to a much more ambitious project than originally envisioned, and one that meets substantial public goals.

[12] See *Exploring Opportunities for Joint Development at Colman Dock: Case Studies*, prepared by Strategic Economics for Washington State Ferries, April 2007.

VI. EDMONDS TERMINAL

Introduction

Edmonds was selected as a terminal with strong potential for joint development for the following reasons:

- **A Need to Explore New Alternatives to Addressing the Terminal's Infrastructure Needs.** Plans have existed for many years to relocate the Edmonds Terminal, but the project is extremely expensive and has not yet been fully funded. It is possible that instead of moving the terminal, many of the negative impacts of ferry operations could be addressed through a combination of operational changes currently under consideration (such as the use of a reservation system) and with a joint development strategy. One of the key obstacles at the Edmonds site is that WSDOT does not own sufficient land to accommodate all needed infrastructure improvements. By fostering a sense of partnership and common purpose in the visioning for the redevelopment of the waterfront area, joint development could assist WSDOT in realizing some terminal improvements that require a larger parcel of land, while using the WSDOT land to help the City meet some of the objectives for the area that have been articulated as part of the Harbor Square and Antique Mall Redevelopment Program. Because of the momentum that exists from the City's planning efforts and WSDOT's operational assessment, now is a good time to explore the joint development potential of the WSDOT property in achieving mutually beneficial outcomes.
- **Strong Real Estate Market Potential for Private Development.** Edmonds has been the focus of a significant amount of new development during the past several years, especially medium-density, residential projects with ground floor retail. This indicates that there might be a potential to leverage private development near the terminal to meet shared goals.
- **Edmonds has several significant assets, including a vibrant, walkable downtown, a Sounder station, and a ferry terminal. Joint development can help fund infrastructure improvements to improve the connection and compatibility between these districts.** There is a significant opportunity for ferry riders to support downtown Edmonds retailers and some potential for downtown shoppers to walk to the ferry or Sounder train. Improving the connection and compatibility between these two community assets will help reinforce their positions within the community and the strength of downtown Edmonds within the region.

Development Context

SETTING

Edmonds is located 18 miles north of Seattle and is served by highways 104 and 524. The ferry terminal is located at the end of Main Street, which is an extension of State Route 104. The terminal is within walking distance of downtown Edmonds, a pedestrian-friendly mixed-use district.

Downtown Edmonds

A diving park, beach and city park are immediately adjacent to the terminal on both its north and south sides. Two tenths of a mile south of the terminal is the passenger railroad station that serves AMTRAK and the Sound Transit route between Seattle and Everett. There is also a retirement home and an antique center in a strip mall nearby. The city marina is also located south of the terminal. As described later in this section, the area is generally being considered for redevelopment, especially the antique mall property.

East of the terminal toward the downtown are several multi-family condominium developments and mixed use projects with residential units on the upper floors and retail and office uses on the ground floors. With the exception of the area directly surrounding the terminal, most of the downtown area is built on a street grid consisting of small blocks that facilitate pedestrian activity.

The Edmonds terminal connects Edmonds to the City of Kingston in Kitsap County. This route is the main route of access to both Kitsap and the Olympic Peninsula. In 2006, this route carried an average of 12,200 riders per day. The Edmonds-Kingston route had the second highest ridership in the system in 2006, after Seattle-Bainbridge. Although second in overall ridership, in 2006, the Edmonds-Kingston route had the highest volume of vehicle trips in the system.

Seattle is the largest single location where Edmonds residents work (35 percent), which means that residents are more likely to use the train to commute to work, and most frequent ferry riders are not Edmonds residents.

PROPERTY OWNERSHIP

WSDOT owns the holding area and a parking lot at the Edmonds terminal. The City of Edmonds also owns some land near the terminal, including a public beach north of the ferry terminal (see Figure 6-1). There are several other parcels within this larger site owned by private landowners.These include the Antique Mall site and the Skipper's Restaurant site. Sounder Transit also owns the land that includes their station and parking lots

.

Figure 6-1: WSDOT-Owned Land at Edmonds Terminal

WSDOT Property in Ferry Terminal Areas

City, State or Port Property in Ferry Terminal Areas

EDMONDS FERRY TERMINAL

Existing Conditions and Ownership

Opportunities at WSF Terminals

Recent Planning Efforts

The Port of Edmonds, City of Edmonds and waterfront property owners are currently engaged in an ongoing planning effort for much of the area near the Edmonds terminal. This effort involved a series of public meetings to gather input on the development plan and the objectives for the area. The planning effort, called the Harbor Square/Antique Mall Redevelopment project, is predicated on the assumption that the Edmonds ferry terminal is moving out of the downtown area. The planning efforts are currently in the process of establishing a vision for the area and determining whether the project will be driven by the City or property owners. There has been some discussion of a pedestrian-oriented district with shopping and restaurants but the visioning process is scheduled to continue through October 2008.

WSDOT, together with the City of Edmonds, has been involved with a planning effort to move the ferry terminal from its existing location at the end of Main Street to the old Unocal Tank Farm at Point Edwards. In addition to moving the terminal, the plan calls for an increase in vehicle holding area, two additional slips, and the construction of a multimodal transit facility that will facilitate connections to commuter rail, AMTRAK, and busses. The facility is also slated to contain a park-and-ride lot and a bridge over the railroad tracks to eliminate any grade separation issues at the new site. The project is estimated to cost $239 million. To date, the project has not been fully funded. Approximately $83 million in state and federal funding has been planned, but not appropriated.

Zoning and Allowed Uses

The current site is zoned a "Community Business Zone." This classification allows for retail and office uses on the site. The site is not zoned for residential uses but does allow mixed-use residential if there is retail on the ground floor. There is currently a 25' height limit on the site (30' to roof pitch), however it should be noted that some taller buildings (5 to 6 stories) are being considered in redevelopment alternatives for the waterfront area.

Development Opportunities and Constraints

Terminal Facilities and Operational Needs

The current terminal facilities are summarized in Table 6-1. Terminal operations are negatively impacted by the lack of a grade separation between the railroad tracks and the ferry, which causes delays in loading and unloading the ferries, as well as a significant backup along local streets. The configuration of the ferry infrastructure also creates a barrier between Edmonds and its waterfront and exacerbates the sense of separation between these two important districts. In order to address these deficiencies, plans have existed for several years to move the terminal, as well as the Sounder commuter rail station, to a site outside of town.

The consultant team conducted a physical analysis to determine whether the terminal area could be reconfigured and redeveloped to resolve the current operational issues, while also providing better connections between the downtown and waterfront, and some private development opportunities. This outcome of this analysis was that an engineering solution to many of the issues at the Edmonds terminal does exist, but such a redevelopment program would require purchase of several adjacent properties by WSDOT to implement. The cost of these improvements would be substantial and require most of the area between Dayton Street, Railroad Avenue, Main Street and Sunset Avenue to implement. The design scheme, as depicted in Figure 6-2, includes a ramp that runs from the larger development site under the railroad tracks and then

returns to street level on Railroad Avenue. This ramp, depicted in purple in Figure 6-2, would allow cars to board and disembark the ferry without delays caused by train crossings. The plan also eliminates the holding area along Sunset Avenue and incorporates it into the larger development site. The ferry holding area is contained within the subterranean floor of the parking structure shown in red.

Table 6-1: Edmonds Ferry Operations

Route	Kingston - Edmonds
Peak Use	Summer weekends/evening commute
Ridership Base	Commuters and recreational users
Volume of Ridership	4.3 million riders in 2006
Holding Areas	Holds 160 vehicles
Slips	1 slip
Vessel Capacity	144 vehicles
Crossing Time	30 minutes
Parking	79 spaces of paid parking operated by U-Park
Terminal Property Ownership	WSDOT owns holding area and small parking lot
Adjacent Property Ownership	City of Edmonds owns adjacent beach; other privately held land adjacent to the terminal
Terminal Plans	Plans for a relocated multimodal terminal are under consideration

Source: WSDOT.

Figure 6-2: Design Scheme for Edmonds Terminal Area

In this plan, part of the current holding area would be used to realign Sunset Avenue, while the northern end would become a small park at the corner of Sunset Avenue and Main Street. The parking structure could include enough spaces to replace the existing parking for both WSDOT and Sounder. The parking could be designed to accommodate at least some of the parking needs of the private development on the southern portion of the site (the 15,000 square foot and 80,000 square foot sites depicted in orange in Figure 6-2).

The estimated cost of the project (ramp, holding area and garage) is approximately $64 million, not including the cost of land. While this cost is less than the expected $249 million cost to relocate the terminal, it would nevertheless require significant expense and the participation of all of the necessary property owners. It is possible that WSDOT could work with private property owners to implement this project through purchase of the land or a combination of land purchase and land swaps, it would require a significant capital outlay on the part of WSDOT, and the cost would far exceed any likely revenue opportunities from development. For this reason, the joint development alternatives evaluated later in this section are smaller in scale and do not incorporate this larger infrastructure project. The larger infrastructure project could be designed to allow for some private development, but the value of this development would be small compared to the cost of the ferry infrastructure.

Opportunities for Private Development

Despite the current housing market downturn, the market for housing is expected to be relatively strong in Edmonds over the longer term. As of the third quarter of 2008, the median house price in Edmonds was approximately $362,000, down 12 percent from the previous year.[13] However, in the downtown Edmonds area (zip code 98020) the median price was significantly higher at $467,000, and prices had only dropped about 3 percent during the previous year.

Newly constructed mixed-use, multifamily housing in Edmonds

There are several examples of condominium and townhome projects that were built recently in and around downtown Edmonds. These projects signal both a demand for urban living and acceptance of a denser building type within the city. A site near the terminal could be particularly well-suited to development because of its close proximity to vibrant downtown Edmonds, and views of the Olympics and water. The site also benefits from the convergence of the ferry, rail and highway infrastructure, facilitating access to a variety of destinations.

Because Edmonds is not a major employment center, the retail and commercial establishments in town are mostly locally-supported. There are few commercial vacancies within the downtown core and several new store fronts have opened on the ground floor of mixed-use buildings.

[13] Source: DataQuick. Median house price estimated based on a weighted average of median prices by zip code.

Unlike most ferry terminals in the WSDOT system, the Edmonds terminal is located adjacent to a vibrant downtown area that is already experiencing compact, urban infill development. This not only suggests that the market is conducive to development, but also means that new development at the terminal could be integrated with an existing mixed-use neighborhood. Generally, the terminal area is well suited for transit-oriented development (TOD) because it is located within walking distance of downtown shops and restaurants. The development context around the site also lends itself to continuing development in an urban format with an emphasis on good pedestrian connections. Because Sound Transit connects to Seattle and Everett, two major employment centers, residential development near the ferry terminal could encourage Sounder ridership. Because of the lack of employment centers in Kitsap County, it is unlikely that development on this site would increase regular ferry ridership, since most riders are not traveling to Kitsap County for work.

New townhouses in Edmonds

Analysis of Joint Development Alternatives

The financial analysis conducted for this terminal focused on the potential for joint development on the WSDOT-owned parking lot and the current site of the Skipper's restaurant at the corner of Main Street and Sunset. Working with the Skipper's property owner to develop the site is one way WSDOT might help to stimulate the kind of redevelopment of the waterfront area that is envisioned by the community as well as generate revenue that could help fund improvements such as improved pedestrian connections to the terminal. The development could occur as part of a broader redevelopment strategy inclusive of the antique mall property, in which WSDOT might be able to work with the City and other property owners to meet mutual goals and provide some terminal improvements.

Two mixed-use development scenarios for the combined WSDOT and Skipper's sites were tested, summarized in Table 6-2. Both scenarios included residential units over ground floor retail. Alternative A includes 16,000 square feet of ground-floor retail and 92 condominium units. The project totals six stories with 4 to 5 stories of residential space. The project also includes two levels of structured parking, one at grade and one underground. Because underground parking can be expensive, and in some cases not possible to construct where a water table interferes, Alternative B tests the feasibility of a similar project with parking contained in two above grade podium levels within the residential buildings. While both alternatives exceed the current height limit according to the zoning, they are in keeping with the kind of development envisioned as part of the Antique Mall/ Harbor Square planning process.

ALTERNATIVE A

The Alternative A development program includes:

- 16,000 square feet of ground-floor retail;
- 92 condominium units on the upper floors (4 to 5 stories total); and
- One level of podium parking on the ground floor and an additional level of underground parking.

The financial feasibility analysis found that a project of this type is likely to be financially feasible and could generate around $1.3 to $1.5 million for WSDOT (assuming sale of the property). It is possible that the return could be larger if average sales prices for residential units exceed $525,000.

Table 6-2: Estimated Revenues from Alternatives A and B at Edmonds

	Alternative A	Alternative B
Development		
Retail Space	16,000	16,000
Residential Units	92	80
Parking Spaces	148	148
Podium Spaces	*56*	*148*
Underground Spaces	*92*	-
Capitalized Value*	$1.3 - $1.5 million	$1.3 - $1.5 million

*Estimated residual value from development attributable to WSDOT, calculated based on proportional square feet of land.

ALTERNATIVE B

As mentioned earlier, Alternative B tests a similar development program with two levels of podium parking in lieu of underground parking. Alternative B includes:

- 16,000 square feet of ground-floor retail
- 80 condominium units on the upper four floors; and
- Two levels of above grade podium parking

The financial feasibility analysis found that a project of this type is likely to be financially feasible and could generate about the same value as Alternative A (assuming sale of the property). As with Alternative A, it is possible that the return could be larger if average sales prices for residential units exceed $525,000.

Although both Alternative A and Alternative B are financially feasible and generate about the same amount of revenue for WSDOT, a couple of differences between the two alternatives should be noted. Because Alternative A has more residential units, the potential revenue to WSDOT will increase more rapidly if sales prices go up than with Alternative B. However, the additional risks of building underground parking, especially in a waterfront location, are real and could wind up being more costly to the project, thereby offsetting the additional revenue potential from the larger number of units. Alternative A also provides slightly more housing near transit, which

could have a slight impact on walk-on ridership for the ferry or Sounder systems. Finally, if underground parking is physically possible and financially feasible, there may be some preference from an aesthetic standpoint for a building with only one level of above-grade parking.

Transit Nexus: Both alternatives have the potential to generate revenue for WSDOT which could be used in several ways. This revenue could be allocated to the WSDOT operating or capital budgets or to improved operations or facilities at the terminal. WSDOT could also use the revenue to leverage more significant, and expensive, targeted infrastructure improvements by offering it as a contribution to a development project on the larger site in exchange for desired improvements.

In addition, providing housing options near transit is also a strategic decision which helps to capitalize on the site's proximity to two regional transit systems: Sounder and the ferry. This proximity could help to encourage walk-on ridership for both systems, although it is more likely to encourage riders for Sounder since that system offers direct connections to downtown Seattle. Nevertheless, aligning land use and transportation is an important strategy for supporting transportation and also results in several public benefits described below.

Public Benefits: Both alternatives help achieve the City's goals for knitting the terminal area together with downtown Edmonds and fostering a mixed-use community at the terminal area. The development also serves as a catalyst for a development project on the larger block near the terminal and the redevelopment of several underutilized parcels in downtown Edmonds.

Conclusions

- **Development on the WSDOT and Skipper's sites is likely to be financially feasible once the housing market stabilizes.** Our analysis for the combined WSDOT and Skipper's lots looked at 4 to 5 residential stories over ground floor commercial (5 to 6 stories total). The analysis tested two variations on this development program utilizing different parking strategies: 1) a combination of at-grade and underground parking, and 2) two levels of above grade podium parking. We estimate that both approaches are financially feasible to develop and would generate about $1.3 to $1.5 million in revenue for WSDOT. These revenues could increase if the average sales price of the units exceeds $525,000.

- **WSDOT should engage with other property owners, the City and the Port as they continue to plan for redevelopment of the Antique Mall/Harbor Square area.** The terminal area has been identified as a key development site by the City of Edmonds and planning and visioning efforts for the area are underway. WSDOT should engage with the City and neighboring property owners in this planning process. Participation in this process will signal WSDOT's desire to be a "good neighbor" to the City of Edmonds and is more likely to result in a plan that is mutually beneficial to all stakeholders. It may be possible for WSDOT to participate in this plan as a partner by contributing revenue from the joint development of the WSDOT and Skippers lot to a larger project. By doing this, WSDOT may be able to leverage some larger infrastructure improvements than are possible on the WSDOT alone.

- **The value generated from joint development of the WSDOT parking lot could be used to leverage targeted transportation improvements (such as consolidated parking) or public benefits as part of a larger redevelopment project including the antique mall site.** If the WSDOT and Skipper's properties are redeveloped in conjunction with the antique mall property, it creates significantly more opportunity to use joint development to leverage transportation improvements or other desired elements. For example, a larger project could include cooperation between the City, WSDOT,

private property owners and Sounder to provide improved multimodal connections and/or shared parking.

- **A physical analysis shows that it could be possible to consolidate the holding area near the terminal and solve the grade separation issue with the railroad, however it would require a substantial capital outlay for new ferry facilities.** The physical analysis found that the grade separation solution, redeveloped holding area, and a shared parking structure with Sounder can be accommodated in the existing terminal area on the large parcel bounded by Sunset Avenue, Main Street, Railroad Avenue, and Dayton Street. However, in order to implement this strategy and remain at the existing terminal, WSDOT will need to utilize land that they do not currently own.

VII. APPENDIX A: TERMINALS WITH LONGER TERM JOINT-DEVELOPMENT POTENTIAL

This section provides greater detail about each of the ferry terminals that were determined to offer joint development potential in the longer term based on property ownership and the development context. The section includes Anacortes, Friday Harbor, Mukilteo, and Orcas.

Anacortes Terminal

Joint Development Potential: ***Longer-Term***

Potential to Increase Walk-On Ridership Through TOD: ***Limited***

INTRODUCTION

Anacortes is located 80 miles north of Seattle on Fidalgo Island, which can be reached via bridges from the east and south (State Route 20). Anacortes terminal is the jumping off point to the San Juan Islands, providing service to Friday Harbor, Orcas Island and Shaw Island. International service is also provided to Vancouver Island. Approximately 700,000 passengers pass through the terminal each year.

Ridership in the San Juan Islands corridor is very seasonal because a large proportion of passengers are day-trippers and tourists. Overall, the route has the lowest number of passengers in the system. Few residents of Anacortes ride the ferry to work; most employed Anacortes residents work in Anacortes, Mount Vernon or Seattle.

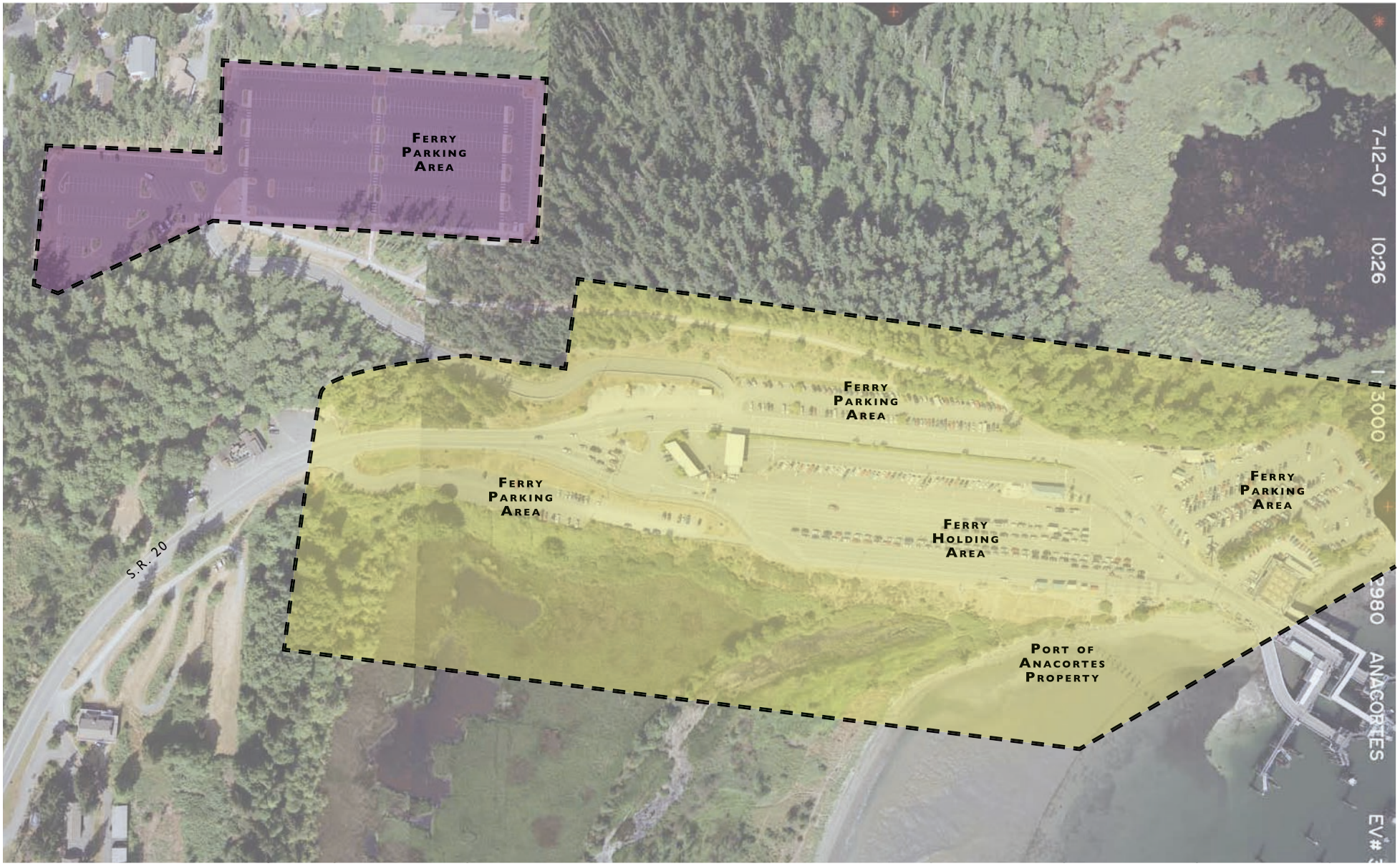
Built in 1960, the existing terminal has been identified by WSDOT as needing expansion and improvements to accommodate expected future increases in ridership, improve circulation at the terminal and enhance the customer experience. As a first step, a new parking area was developed in 2005, along with a trail to the terminal. The parking lot is used primarily by ferry riders travelling to the islands for recreation and tourism, especially Friday Harbor and Orcas Island.

Top Five Cities Where Anacortes Residents Work	
City	Share of jobs
Anacortes	44%
Mount Vernon	9%
Seattle	7%
Bellingham	4%
Burlington	3%
Commute Mode to Work Residents within 1 mile of ferry terminal	
Car	87%
Public Transit	1%
Other	4%

Source: US Census Longitudinal Employer-Household Dynamics Program

PROPERTY OWNERSHIP

The terminal and holding area are owned by the Port of Anacortes. The parking lot located northwest of the holding area is partially owned by WSDOT, with the remainder privately owned.



WSDOT Property in Ferry Terminal Areas

City, State or Port Property in Ferry Terminal Areas

ANACORTES FERRY TERMINAL

Existing Conditions and Ownership

Opportunities at WSF Terminals

0 100' 200'

Anacortes Ferry Operations

Route	Anacortes - San Juan Islands
Peak Use	Summer
Ridership Base	Tourists and recreational users
Volume of Ridership	1.9 million riders in 2004*
Holding Areas	Holds 450 vehicles
Slips	2 slips
Vessel Capacity	144 vehicles
Crossing Time	60 minutes to Friday Harbor; 50 minutes to Shaw; 65 minutes to Lopez; 50 minutes to Orcas
Parking	1,321 spaces of paid parking managed by Diamond Parking
Terminal Property Ownership	WSDOT owns upper parking lot; Port of Anacortes owns holding area and three parking lots
Adjacent Property Ownership	Unknown
Terminal Plans	Improvement project is in planning stages

*2006 ridership data pending
Source: WSDOT

Anacortes Demographic Profile

	City	1/2 mile from Terminal	1 mile from Terminal
Population	16,250	161	2,179
Average Household Income	$63,085	$60,218	$68,396
Average Age	43	49	47

Source: Claritas, Inc

TERMINAL DESCRIPTION AND DEVELOPMENT CONTEXT

The Anacortes terminal area is located on a hillside, with views of the ocean and marina. A café and a souvenir shop are located inside the terminal. The holding area is relatively large, with 15 lanes and room for about 450 vehicles. Employee parking is located near the terminal, and an additional 1,250 spaces are provided for the public in paid lots. Diamond Parking manages the lots and pays a concession fee to WSDOT based on gross revenues.

The area immediately surrounding the terminal is mostly undeveloped, with the exception of a restaurant located on State Route 20 just before the entrance to the terminal area. Uses in the broader area consist mainly of low-density housing. The City of Anacortes is located northwest of the terminal (the terminal is about an 8 minute drive from the Central Business District). The town is a tourist destination, with several bed and breakfasts and inns, as well as boutique shops and restaurants.

Anacortes had a total population of 16,400 as of 2007.[14] Anacortes residents tend to be older, with an average age of 43 (compared to 35 for the state as a whole). The area is attractive to households who wish to retire near the water, which has resulted in several new upscale housing projects.

Anacortes is a destination for San Juan Island residents who want to shop, given the paucity of shopping options in the Islands. Commercial Avenue, the main commercial street in Anacortes, includes several large-format grocery stores. Anacortes also acts as a gateway for San Juan Island residents travelling elsewhere for shopping or other purposes.

[14]Washington State Office of Financial Management.

REAL ESTATE DEVELOPMENT POTENTIAL

In 2004, WSDOT Ferries Division commissioned a market assessment for non-passenger revenue opportunities at the Anacortes Terminal.[15] The report considered the potential for non-ferry uses at the site, and found that the site was disadvantaged due to its relative isolation from the main population center of Anacortes, the access challenges posed by terminal operations, and the availability of more attractive sites for development.

New Housing Development in Anacortes

The market for new development does not appear to have changed substantially since the previous assessment. Recent development in Anacortes has consisted mainly of relatively low-density residential units, with new single-family homes and townhouses starting around $485,000. However, as land values increase, it may become feasible to replace some of the existing parking with a combination of a structured parking lot and other uses, depending on ferry operational needs.

Over time, there may also be opportunities for joint development of private uses in conjunction with renovation and expansion of existing facilities. This would require working with the Port of Anacortes to obtain property near the terminal for joint development that could include an improved terminal and holding area as well as some private development. Given the location of the property, it is not likely to be successful as a major retail or office destination. However, it is possible that facilities could be designed to accommodate some hotel or other tourist uses, particularly if operational changes (such as a reservation system) make it possible to reduce the size of the holding area or decrease the amount of parking provided at the terminal.

TRANSIT-ORIENTED DEVELOPMENT OPPORTUNITIES

The potential for development of uses that are likely to facilitate increased walk-on passengers in the San Juan Islands is limited. Housing near the terminal would be unlikely to generate ridership because few local residents work in areas accessed by ferry. A hotel could offer some synergies with the ferry, however hotel patrons would likely arrive by car, and therefore require additional parking spaces at the terminal.

[15] Berk and Associates, "*Market Assessment of Non-Passenger Revenue Opportunities for the Anacortes Multimodal Terminal*", October 2004.

Friday Harbor Ferry Terminal

Joint Development Potential: ***Longer-Term***

Potential to Increase Walk-On Ridership Through TOD: ***Limited***

INTRODUCTION

Friday Harbor is located on San Juan Island in the San Juan Island chain. In 2007, Friday Harbor had a population of 2,100 people. Like other parts of the San Juan Islands, the average age is greater than average for the state (43 compared to 35), reflecting the high proportion of second homes and retirees. Most employed residents (sixty-one percent) work on the island.

Friday Harbor is served by the ferry route from Anacortes. In 2006, the route carried an average of 4,500 riders a day. This route is highly seasonal with peak ridership between Memorial Day and Labor Day, especially weekends. Most trips are for recreational uses. Local residents also use the ferry to connect to Anacortes and points beyond.

PROPERTY OWNERSHIP

WSDOT owns the ferry holding area, part of the right of way leading to the terminal, and two remote parking lots that also act as spillover holding areas in peak times.

TERMINAL DESCRIPTION AND DEVELOPMENT CONTEXT

Friday Harbor

The Friday Harbor terminal is located at the intersection of South Front Street and East Street. The terminal is located in downtown Friday Harbor. A mixture of uses, including shops, restaurants, offices and housing, exist within downtown. Friday Harbor's development pattern follows a compact format of walkable city blocks with sidewalks and a pleasant pedestrian realm. Directly to the east of the terminal on the waterfront is the City Marina. Downtown Friday Harbor is located to the north of the terminal. It consists of several blocks of shops and restaurants, some with office space on the upper floors. To the south of the terminal the area becomes more residential and single-family homes predominate.

The terminal has a holding area for 136 vessels. WSDOT owns approximately 40 spaces of parking near the terminal. These parking areas are located a block away from the terminal in town. When the holding area is insufficient to hold all the car traffic, especially during the peak summer season, WSDOT uses these parking lots as remote holding areas. When this occurs, the cars must drive through city streets to reach the ferry loading area. During the peak season, ferry traffic creates substantial congestion in downtown Friday Harbor and interferes with non-ferry related traffic flow in town.

WSDOT Property in Ferry Terminal Areas

City, State or Port Property in Ferry Terminal Areas

FRIDAY HARBOR FERRY TERMINAL

Existing Conditions and Ownership

Opportunities at WSF Terminals

0 100' 200'

Friday Harbor Ferry Operations

Route	San Juan Islands
Peak Use	Summer
Ridership Base	Tourists
Volume of Ridership	765,000 riders in 2004*
Holding Areas	Holds 136 vehicles
Slips	1 slip
Vessel Capacity	144 vehicles
Crossing Time	60 minutes to Anacortes
Parking	40 spaces of free parking in remote holding areas available during off-peak season
Terminal Property Ownership	WSDOT owns holding area and two remote holding lots
Adjacent Property Ownership	Private land owners
Terminal Plans	None

*2006 ridership data pending

Source: WSDOT

Friday Harbor Demographic Profile

	Town	1/2 mile from Terminal	1 mile from Terminal
Population	2,138	1,081	2,281
Average Household Income	$45,549	$52,847	$50,089
Average Age	43	45	43

Source: Claritas, Inc

REAL ESTATE DEVELOPMENT POTENTIAL

Friday Harbor is a top regional resort destination with high land values. The fact that WSDOT owns some key parcels within this development climate means that if operational changes were to make this land free for development, it could be valuable.

POTENTIAL FOR TRANSIT-ORIENTED DEVELOPMENT

Although Friday Harbor has a large share of the total jobs in the San Juan Islands, it is unlikely that development near the terminal will generate much new walk-on ridership for the ferries. It is possible that hotel development near the ferry terminal could encourage some overnight visitors to leave their car at Anacortes, however this would require more long-term parking at the Anacortes terminal.

Newly constructed mixed-use project adjacent to the ferry loading area

Mukilteo Terminal

Joint Development Potential: ***Moderate***

Potential to Increase Walk-On Ridership Through TOD: ***Limited***

INTRODUCTION

Mukilteo is located 25 miles north of Seattle and is served by State Route 525 and 526. In 2007, the population was approximately 20,000 people. Everett is the top location where Mukilteo residents work; twenty-four percent of Mukilteo residents commute to Everett. Another twenty percent of Mukilteo residents commute to Seattle.

The Mukilteo ferry terminal connects passengers to Clinton on Whidbey Island. In 2006, the route carried an average of 11,200 riders per day. During the week the majority of the trips were to work or school and weekend trips were made primarily for recreation or shopping purposes. The Mukilteo-Clinton route had the third highest ridership of any route in the system in 2006.

PROPERTY OWNERSHIP

WSDOT owns the ferry holding area, part of the right of way leading to the terminal, and a small parking lot at the terminal. The Port of Everett owns part of the loading area.

TERMINAL DESCRIPTION AND DEVELOPMENT CONTEXT

The Mukilteo terminal is located at the end of the Mukilteo Speedway (Highway 525). Like the Edmonds terminal, the Mukilteo terminal is separated from most of the town of Mukilteo by the Sound Transit train tracks that run between Seattle and Everett. However, there is a grade separation between the Mukilteo Speedway and the train tracks, eliminating the mode conflicts that occur in Edmonds.

On the southern side of the railroad tracks is a predominantly residential neighborhood with a small amount of retail scattered throughout. Most of the buildings are single-family homes on individual lots and there are few sidewalks. There is not a downtown commercial district on this side of the railroad tracks. Outside of this core residential area, street patterns become much more irregular and auto-oriented.

View of condominiums and Mukilteo Lighthouse from Ferry

On the sound side of the railroad tracks, the terminal is surrounded by a variety of uses. West of the terminal, Front Street contains some commercial development including a hotel and restaurant. Farther north is an abandoned Air Force tank farm. To the west of the ferry terminal is a condominium development and the Mukilteo Lighthouse Park and parking lot. Formerly a state park, ownership was recently transferred to the City of Mukilteo. The City has plans to improve the park to include a large central lawn area, a pedestrian promenade and pier, streetscape improvements, new picnic and play areas, and other improvements.[16]

[16] *Mukilteo Lighthouse Park Master Plan*, February 2004.

WSDOT Property in Ferry Terminal Areas

City, State or Port Property in Ferry Terminal Areas

MUKILTEO FERRY TERMINAL

Existing Conditions and Ownership

Opportunities at WSF Terminals

0 100' 200'

Mukilteo Operations

Route	Mukilteo - Clinton
Peak Use	Summer and Weekend
Ridership Base	Recreational Users
Volume of Ridership	4.1 million riders in 2006
Holding Areas	Holds 103 vehicles
Slips	2 slips
Vessel Capacity	124 vehicles
Crossing Time	20 minutes
Parking	Approximately 26 WSDOT operated free parking spaces; 3 neighboring city-owned lots nearby
Terminal Property Ownership	WSDOT owns holding area and small parking lot
Adjacent Property Ownership	Port of Mukilteo owns part of loading area; Other privately held land adjacent to the terminal
Terminal Plans	Plans for moving the terminal and creating a multimodal terminal are under consideration

Source: WSDOT

Mukilteo Demographic Profile

	City	1/2 mile from Terminal	1 mile from Terminal
Population	20,318	791	2,352
Average Household Income	$86,558	$90,240	$86,730
Average Age	37	44	41

Source: Claritas, Inc.

The terminal itself is comprised of a holding area with a capacity for 103 vehicles, less than what is needed to fill the Issaquah 130 Class vessel that serves this route. The configuration of the terminal creates operational problems when loading and unloading vessels. The holding area is separated from the loading lanes. Cars parked in the holding area must exit onto a city street and then make two turns before they are in route to board the ferry. A WSDOT employee directs traffic throughout this maneuver since cars must traverse public streets as they leave the holding area to board the ferry. Throughout the procedure other traffic, pedestrians, and bicyclists are all attempting to cross traffic as well, causing a potentially dangerous intersection for everyone involved.

Grade separation, highway overpass over railroad tracks

Because of these operational challenges, a new multimodal terminal has been proposed east of the current terminal where the tank farm is currently located. Several agencies, including WSDOT, have collaborated to begin developing plans for a redeveloped waterfront, called Mukilteo Landing, include an integrated regional transportation, waterfront recreation and mixed-use transit-oriented development center. The new WSDOT facilities would include a new dock with two new slips, a new terminal building, a parking garage, overhead passenger loading, increased holding capacity, tollbooths with HOV lanes and bike staging areas. The plan also calls for creating direct connections between the ferry terminal, a new Sounder station and a bus transit center. However, plans for Mukilteo Landing have currently been placed on hold.

Holding area that exits into a public right of way

REAL ESTATE DEVELOPMENT POTENTIAL

Because WSDOT does not own a significant amount of land at this terminal, the real estate potential for the site is contingent up on the relocation of the terminal to the new location. If this happens, the land that is currently home to the terminal will be made available for development. The site is likely to be attractive to developers because of its waterfront access and views of the sound and the Olympic Mountains.

POTENTIAL FOR TRANSIT-ORIENTED DEVELOPMENT

Residential development on site near the ferry terminal could generate riders for the ferry, Sound Transit and the bus lines because residents would live within a very short walk of both stations. Because Sound Transit connects to Seattle and Everett, two major employment centers, development on this site would likely generate new walk-on ridership for the passenger train. However, because of the lack of employment centers on Whidbey Island, it is unlikely that development on this site would increase regular ferry ridership, since most riders are not traveling that direction. It is possible, however, that residents would use the ferry for recreational trips.

The site's lack of pedestrian connectivity to shopping and other key destinations also weakens it ability to act as a TOD. Further, there are very few commercial or retail destinations within walking distance of the ferry terminal. As a result, even if residents can take the ferry or Sounder to work, it is likely that they will need to rely on their cars for many of their non-work trips.

Top Five Cities Where Mukilteo Residents Work	
City	Share of jobs
Everett	24%
Seattle	20%
Mukilteo	7%
Bellevue	6%
Lynnwood	5%
Commute Mode to Work Residents within 1 mile of ferry terminal	
Car	88%
Public Transit	5%
Other	2%

Source: US Census Longitudinal Employer-Household Dynamics Program

Orcas Island Ferry Terminal

Joint Development Potential: ***Longer-Term***

Potential to Increase Walk-On Ridership Through TOD: ***Limited***

INTRODUCTION

Orcas Island is located in the San Juan Island chain. In 2007, Orcas had a population of 5,000 people. Within the island chain, San Juan Island is a major source of employment. Some residents also travel to the mainland for work.

The WSDOT ferry route connects Orcas Island to Anacortes, the rest of the San Juan Islands and Sidney, B.C. In 2006, the route carried an average of 4,500 riders a day. Just like the route to Friday Harbor, this route is highly seasonal with the highest ridership levels occurring in the summertime.

View of Orcas Terminal from the ferry.

PROPERTY OWNERSHIP

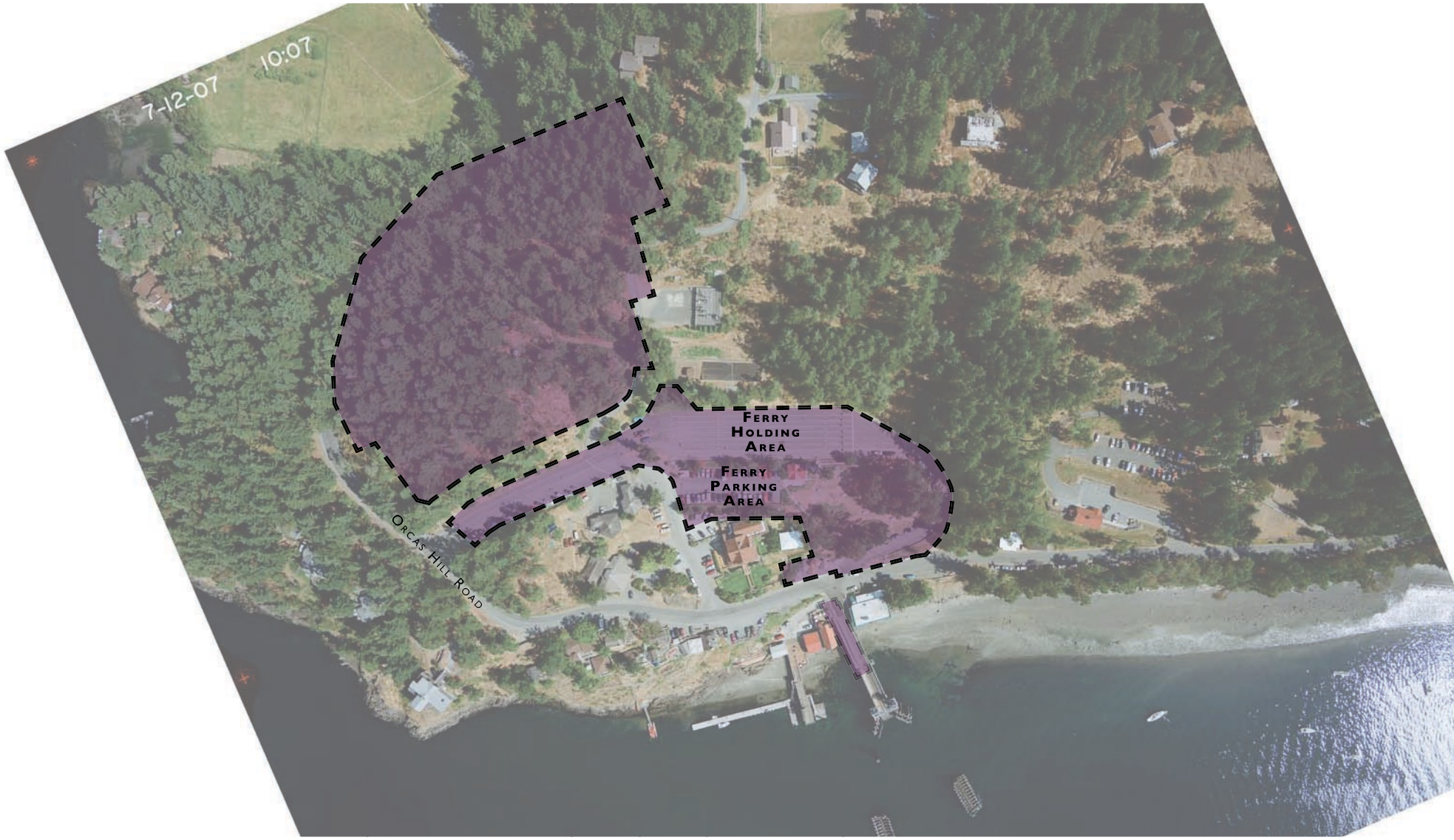
WSDOT owns a significant amount of land at the Orcas Island terminal, including the ferry holding area, ferry parking area, and ferry loading area. WSDOT also owns land on the hillside to the north of the terminal that is currently heavily wooded and on a steep slope. Within the existing ferry terminal operations area, WSDOT also owns some open space that is currently used as a picnic area.

TERMINAL DESCRIPTION AND DEVELOPMENT CONTEXT

The Orcas Island terminal is located in Orcas Village on the southwestern tip of Orcas Island. Orcas Village is a small concentration of buildings, mostly serving tourists. The village is built on grade with most of the buildings at the water's edge but some slightly up the hill.

Orcas Village includes two hotels, as well as cafes and restaurants. These businesses are seasonal and many are closed in the off-season. There is also a small grocery and liquor store at Orcas Village and a whale-watching outfit.

Other than these commercial uses, the terminal is surrounded by heavily forested land that is undeveloped except for the occasional single-family home. Orcas Village itself is a walkable place because of its scale, but a visitor would need a car to reach other points on the island.



WSDOT Property in Ferry Terminal Areas

City, State or Port Property in Ferry Terminal Areas

ORCAS ISLAND FERRY TERMINAL

Existing Conditions and Ownership

Opportunities at WSF Terminals

0 100' 200'

Orcas Island Ferry Operations

Route	San Juan Islands
Peak Use	Summer
Ridership Base	Tourists
Volume of Ridership	290,000 riders in 2004*
Holding Areas	Holds 175 vehicles
Slips	1 slip
Vessel Capacity	144 vehicles
Crossing Time	50 minutes to Anacortes
Parking	40 spaces of free pakring on WSDOT property; Also some street parking
Terminal Property Ownership	WSDOT owns holding area, parking lot, land south of holding area currently used as a park, and a 4.6 acre parcel northeast of holding area currently not in any use
Adjacent Property Ownership	Unknown private land owners
Terminal Plans	None

*2006 ridership data pending

Source: WSDOT .

ORCAS DEMOGRAPHIC PROFILE

	1/2 mile from Terminal	1 mile from Terminal
Population	48	172
Average Household Income	$76,903	$77,669
Average Age	45	46

Source: Claritas, Inc.

The terminal has 40 parking spaces and a holding area for 175 vehicles. The holding area is up the hill from the terminal and most of the other development in the village. Cars queue in the holding area at the top of the hill and then work their way down the hill on a long approach road that winds its way down the hill. Because cars need to climb the hill in order to queue in the holding area, there is another lane that is almost a mirror image of the one descending the hill. These two lanes into and out of the holding area form a circle around most of Orcas Village.

REAL ESTATE DEVELOPMENT POTENTIAL

Orcas Island is a top regional tourist destination with high land values, however no recent development has occurred near the terminal. The fact that WSDOT owns a significant amount of land on Orcas Island means that if operational changes were ever made to free up this land, it could be highly attractive from a development standpoint.

The site itself may be well positioned as a tourist-oriented use with access to the ferry and other amenities. It also has sound views that make it attractive to developers.

Orcas Village Store

POTENTIAL FOR TRANSIT-ORIENTED DEVELOPMENT

It is unlikely that development at Orcas Village will create new walk-on riders for the ferries. Tourists visiting the island will still need a car to visit other parts of the island, and local residents will require a car for most trips off the island.

Appendix B: Terminals with Limited Joint-Development Potential

Bremerton Terminal

Route	Seattle - Bremerton
Peak Use	Weekdays
Ridership Base	Commuters
Volume of Ridership	2.4 million riders in 2006
Holding Areas	Holds 230 vehicles
Slips	2 slips
Vessel Capacity	144 vehicles
Crossing Time	60 minutes
Parking	Several privately-owned lots in the vicinity
Terminal Property Ownership	WSDOT owns new transit deck, terminal and holding lanes
Adjacent Property Ownership	Several private owners and the U.S. Navy
Terminal Plans	None

Source: WSDOT

DESCRIPTION OF TERMINAL AREA

The Bremerton terminal is located in downtown Bremerton near SR 304. Adjacent land uses include the Puget Sound Navy Shipyard and a mix of downtown commercial uses such as offices, condos, and retail.

Although the downtown context of the Bremerton terminal is appropriate for new development, the joint-development potential is limited because the Washington State Department of Transportation land holdings are confined to the terminal and holding area. However, due to the direct connection to Seattle, a major employment center, new residential development in the area could lead to an increase in ridership for WSDOT. Although transit oriented development in Downtown Bremerton may not take place on WSDOT land, development in the vicinity may still help to increase walk-on ridership and thus fare-box revenues.

WSDOT Property in Ferry Terminal Areas

City, State or Port Property in Ferry Terminal Areas

BREMERTON FERRY TERMINAL

Existing Conditions and Ownership

Opportunities at WSF Terminals

0 100' 200'

Clinton Terminal

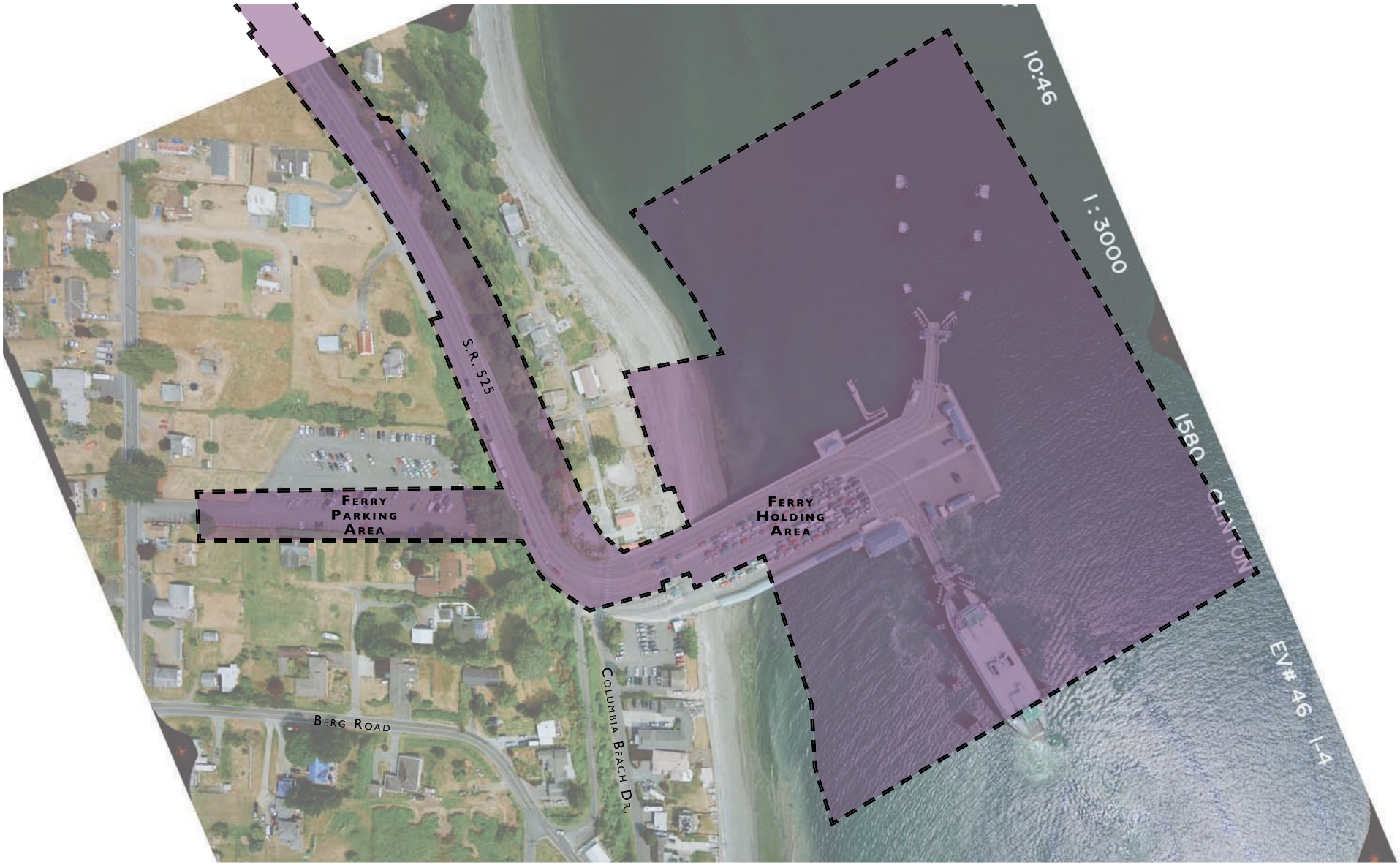
Route	Mukilteo - Clinton
Peak Use	Summer and Weekend
Ridership Base	Recreational Users
Volume of Ridership	4.1 million riders in 2006
Holding Areas	Holds 190 vehicles
Slips	2 slips
Vessel Capacity	124 vehicles
Crossing Time	20 minutes
Parking	205 spaces in a paid park-and-ride lot on top of the hill - half of this lot is owned by WSF; Other paid park-and-ride lot located 1/2 mile away on SR 525
Terminal Property Ownership	WSDOT owns holding area and half of park-and-ride lot
Adjacent Property Ownership	Port of South Whidbey; Unknown private land owners
Terminal Plans	None

Source: WSDOT

DESCRIPTION OF TERMINAL AREA

The terminal is located on SR 525 on southern Whidbey Island. A bluff separates the holding area from the commercial areas and park-and-ride lots above. The terminal is near a small park, Columbia Beach, and a low-density residential area, which runs along the coastline and on top of the bluff.

The joint-development potential at the Clinton Terminal is limited because the site is contextually inappropriate for new development given the surrounding low-density, waterfront, single-family homes. Furthermore, the Washington State Department of Transportation land holdings are limited to the holding area and half of a parking lot.



WSDOT Property in Ferry Terminal Areas

City, State or Port Property in Ferry Terminal Areas

CLINTON FERRY TERMINAL

Existing Conditions and Ownership

Opportunities at WSF Terminals

0 100' 200'

Fauntleroy Terminal

Route	Fauntleroy - Vashon - Southworth
Peak Use	Weekdays
Ridership Base	Commuters
Volume of Ridership	982,000 riders in 2006
Holding Areas	Holds 82 vehicles
Slips	1 slip
Vessel Capacity	144 vehicles
Crossing Time	40 minutes to Southworth; 20 minutes to Vashon
Parking	Few parking options, some vanpool parking nearby
Terminal Property Ownership	Terminal and holding area owned by Department of Natural Resources
Adjacent Property Ownership	Unknown private owners
Terminal Plans	None

Source: WSDOT

DESCRIPTION OF TERMINAL AREA

The Fauntleroy terminal is located in a residential area of West Seattle with large single-family homes. The terminal is off of Fauntleroy Way, just south of Lincoln Park.

The joint-development potential at Fauntleroy terminal is limited because the Washington State Department of Transportation does not own any property at the site, but rather leases land from the Department of Natural Resources for the terminal and holding area. Additionally, the site is contextually inappropriate for development due to the surrounding low-density residential area.

WSDOT Property in Ferry Terminal Areas

City, State or Port Property in Ferry Terminal Areas

FAUNTLEROY FERRY TERMINAL

Existing Conditions and Ownership

Opportunities at WSF Terminals

0 100' 200'

Keystone Terminal

Route	Keystone - Port Townsend
Peak Use	Summer
Ridership Base	Tourists/Recreational Users
Volume of Ridership	767,000 riders in 2006
Holding Areas	Holds 120 vehicles
Slips	1 slip
Vessel Capacity	65 vehicles
Crossing Time	30 minutes
Parking	15 free parking spaces; adjacent to a large paid parking lot and boat launch owned by the the WA State Parks
Terminal Property Ownership	WA State Parks owns the holding area and parking
Adjacent Property Ownership	WA State Parks
Terminal Plans	Changes to the harbor and vessel fleet are under consideration

Source: WSDOT

DESCRIPTION OF TERMINAL AREA

The terminal is located off of SR 20 in a small harbor at the south end of Fort Casey State Park. It is adjacent to a camping area, Crockett Lake and a recreational boat launch.

The joint-development potential at the site is limited because Washington State Department of Transportation does not own property at the terminal, but rather leases land from the Washington State Parks. Furthermore, the site is not contextually appropriate for development due to the environmental sensitivity of the surrounding area and the land's designation as a park.

WSDOT Property in Ferry Terminal Areas

City, State or Port Property in Ferry Terminal Areas

KEYSTONE FERRY TERMINAL

Existing Conditions and Ownership

Opportunities at WSF Terminals

0 100' 200'

Kingston Terminal

Route	Kingston - Edmonds
Peak Use	Weekends
Ridership Base	Recreational users, commuters from Kitsap County
Volume of Ridership	4.3 million riders in 2006
Holding Areas	Holds 288 vehicles
Slips	2 slips and 1 tie-up slip
Vessel Capacity	202 vehicles
Crossing Time	30 minutes
Parking	The Port of Kingston operates large lot parking at the Marina. There is a park-and-ride lot outside of town.
Terminal Property Ownership	Port of Kingston owns the holding area, terminal, marina, marina parking and small park
Adjacent Property Ownership	Unknown
Terminal Plans	None

Source: WSDOT

DESCRIPTION OF TERMINAL AREA

The Kingston terminal is located on SR 104 and is adjacent to the Kingston Marina and downtown commercial establishments.

The joint-development potential at the Kingston terminal is limited because the Washington State Department of Transportation does not own any property at the site, but rather leases land from the Port of Kingston for the terminal and holding area. Development at the terminal might have the opportunity to increase walk-on ridership via transit-oriented development, because commuters could take the ferry to Edmonds and the train to employment centers like Seattle and Everett. However, those commutes are not optimal because of the long travel times and the need to take more than one mode of transit, thus making TOD in Kingston a more remote possibility.

WSDOT Property in Ferry Terminal Areas

City, State or Port Property in Ferry Terminal Areas

KINGSTON DOCK FERRY TERMINAL

Existing Conditions and Ownership

Opportunities at WSF Terminals

0 100' 200'

Lopez Terminal

Route	San Juan Islands
Peak Use	Summer
Ridership Base	Tourists
Volume of Ridership	290,000 riders is 2004*
Holding Areas	Holds 88 vehicles
Slips	1 slip
Vessel Capacity	144 vehicles
Crossing Time	65 minutes from Anacortes; 60 minutes to Friday Harbor
Parking	48 spaces of free parking run by WSDOT; 19 additional spaces near the terminal
Terminal Property Ownership	WSDOT owns holding area, parking lot, drop-off area, rectangular parcel north of Ferry Road
Adjacent Property Ownership	Unknown; Zoned as Rural Farm Forest
Terminal Plans	None

*2006 ridership data pending

Source: WSDOT

DESCRIPTION OF TERMINAL AREA

The Lopez terminal is located at the end of Ferry Road, on the northern side of Lopez Island. The surrounding area is heavily wooded and there is a steep slope along the coastline.

Although the Washington State Department of Transportation owns a parcel of land that is not currently in use for ferry operations, the rural character of the site suggest that it is not a likely site for new development. There is little to no development in the vicinity and the surrounding land is zoned as Rural Farm Forest.

WSDOT Property in Ferry Terminal Areas

City, State or Port Property in Ferry Terminal Areas

LOPEZ FERRY TERMINAL

Existing Conditions and Ownership

Opportunities at WSF Terminals

0 100' 200'

Point Defiance Terminal

Route	Point Defiance - Tahlequah
Peak Use	Weekdays and Summertime Recreational Users
Ridership Base	Local residents
Volume of Ridership	706,000 riders in 2004*
Holding Areas	Holds 50 vehicles
Slips	1 slip
Vessel Capacity	60 vehicles
Crossing Time	15 minutes
Parking	40 spaces of free parking, operated by Metro Parks Tacoma; Large free marina parking lot nearby
Terminal Property Ownership	Metro Parks Tacoma owns the terminal, holding area, and parking lot.
Adjacent Property Ownership	Metro Parks Tacoma
Terminal Plans	None

*2006 ridership data pending

Source: WSDOT

DESCRIPTION OF TERMINAL AREA

The Point Defiance terminal is located off of SR 163 on the southern end of Point Defiance Park. The terminal surrounded by the park, which includes such land uses as open space, a marina, and a go-kart track.

The joint-development potential at the Point Defiance park is limited because the Washington State Department of Transportation does not own land at this site and leases land from Metro Parks Tacoma for ferry operations. Furthermore, the site's immediate adjacency to a park puts into question whether development here would be contextually appropriate.

WSDOT Property in Ferry Terminal Areas

City, State or Port Property in Ferry Terminal Areas

POINT DEFIANCE FERRY TERMINAL

Existing Conditions and Ownership

Opportunities at WSF Terminals

0 100' 200'

Port Townsend Terminal

Route	Keystone - Port Townsend
Peak Use	Summer
Ridership Base	Tourists/Recreational Users
Volume of Ridership	767,000 riders in 2006
Holding Areas	Holds 100 vehicles
Slips	2 slips
Vessel Capacity	68 vehicles
Crossing Time	30 minutes
Parking	10 spaces of WSDOT operated free parking; other privately operated parking in nearby business parking lots
Terminal Property Ownership	WSDOT owns holding area and parking
Adjacent Property Ownership	Jefferson National Bank and Washington Timber Products are nearby property owners
Terminal Plans	Planning for a remote holding area and new terminal are proposed

Source: WSDOT

DESCRIPTION OF TERMINAL AREA

The Port Townsend Terminal is located off of SR 20, a short distance from the downtown historic district. Adjacent land uses include a bank, retail, and small office building. A steep bluff separates the terminal from Washington Street and residential neighborhoods in the vicinity.

The joint-development potential at this site is limited because Washington State Department of Transportation land holdings are confined to the holding area and small parking lot, which are built primarily over water.

WSDOT Property in Ferry Terminal Areas

City, State or Port Property in Ferry Terminal Areas

PORT TOWNSEND FERRY TERMINAL

Existing Conditions and Ownership

Opportunities at WSF Terminals

0 100' 200'

Shaw Terminal

Route	San Juan Islands
Peak Use	Summer
Ridership Base	Tourists
Volume of Ridership	31,000 riders in 2004*
Holding Areas	Holds 22 vehicles
Slips	1 slip
Vessel Capacity	144 vehicles
Crossing Time	50 minutes to Anacortes; 60 minutes to Friday Harbor
Parking	6 spaces of paid parking
Terminal Property Ownership	WSDOT owns small parking lot and holding area
Adjacent Property Ownership	Most adjacent property is owned by Advocate Community, Inc., Trustee
Terminal Plans	None

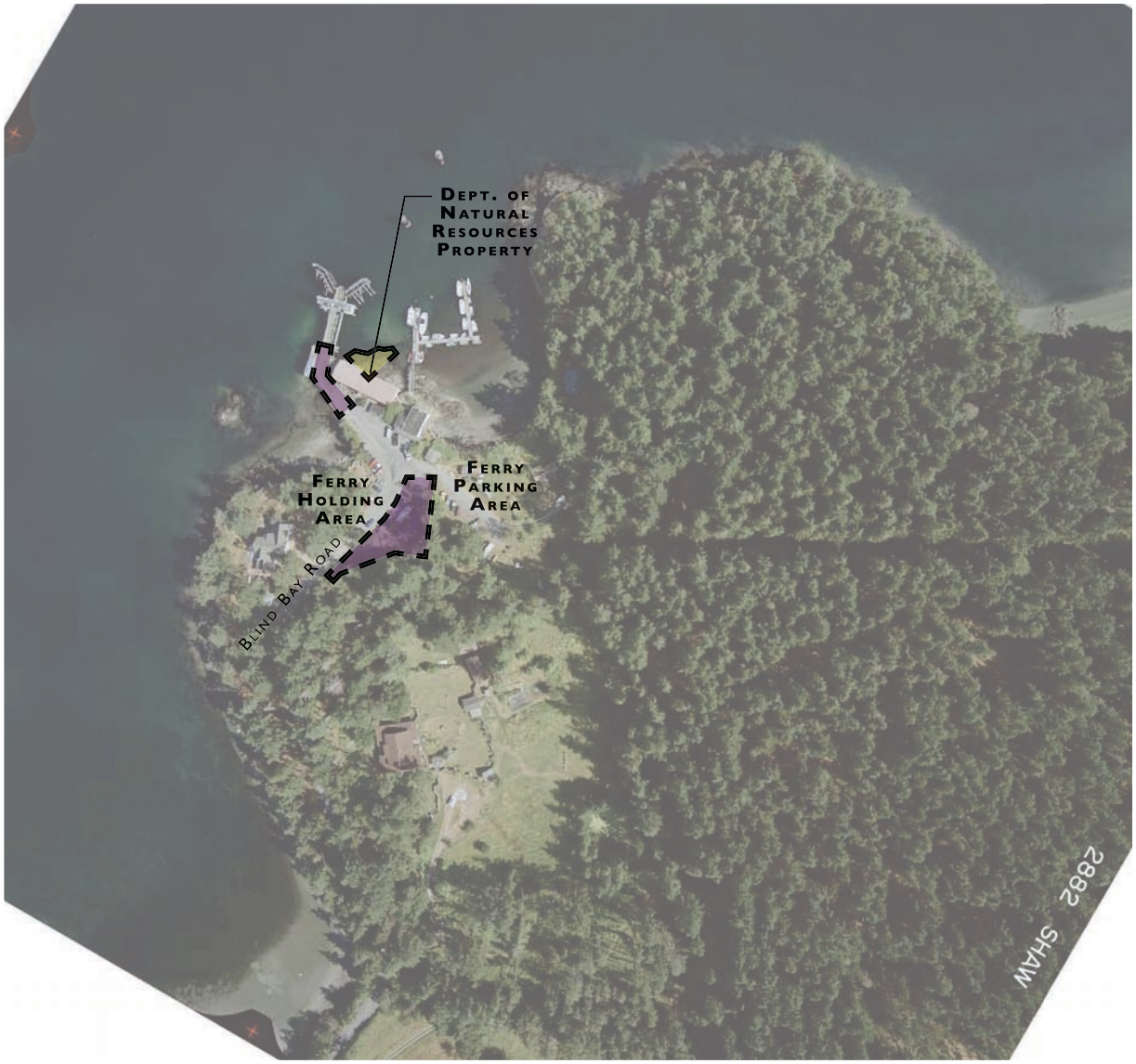
*2006 ridership data pending

Source: WSDOT

DESCRIPTION OF TERMINAL AREA

The Shaw terminal is located at the end of Blind Bay Road in a heavily forested area with large single-family estates nearby.

The development potential at the Shaw Terminal is limited because the WSDOT land holdings are confined to the holding area and a small parking lot. In addition, the site is not contextually appropriate for new development given the adjacent low-density development nearby and the fact that much of the surrounding area is wooded open space.



WSDOT Property in Ferry Terminal Areas

City, State or Port Property in Ferry Terminal Areas

SHAW ISLAND FERRY TERMINAL

Existing Conditions and Ownership

Opportunities at WSF Terminals

0 100' 200'

Southworth Terminal

Route	Fauntleroy - Vashon - Southworth
Peak Use	Weekdays
Ridership Base	Commuters
Volume of Ridership	982,000 riders in 2006
Holding Areas	Holds 160 vehicles
Slips	1 slip
Vessel Capacity	124 vehicles
Crossing Time	10 minutes to Vashon; 20 minutes to Fauntleroy
Parking	Large park and ride lot and small lot directly adjacent to terminal area and owned by WSDOT; Shuttle to free remote parking owned by Kitsap Transit
Terminal Property Ownership	WSDOT owns the terminal, parking and holding area
Adjacent Property Ownership	Unknown private owners
Terminal Plans	None

Source: WSDOT

DESCRIPTION OF TERMINAL AREA

The Southworth terminal is located off of SR 160 in eastern Kitsap County in a very low-density residential area.

Although the Washington State Department of Transportation owns a large park-and-ride lot, the joint-development potential at Southworth terminal is limited because the site is contextually inappropriate for new development due to the surrounding low-density single-family homes and rural residential zoning.

WSDOT Property in Ferry Terminal Areas

City, State or Port Property in Ferry Terminal Areas

SOUTHWORTH FERRY TERMINAL

Existing Conditions and Ownership

Opportunities at WSF Terminals

0 100' 200'

Talequah Terminal

Route	Point Defiance - Tahlequah
Peak Use	PM Commute
Ridership Base	Local Residents
Volume of Ridership	706,000 riders in 2004*
Holding Areas	Holds 4 vehicles with additional holding along Vashon Highway
Slips	1 slip
Vessel Capacity	60 vehicles
Crossing Time	15 minutes
Parking	35 spaces
Terminal Property Ownership	WSDOT owns the trestle, small parking lot, and some adjacent land on hillside
Adjacent Property Ownership	Several private land owners
Terminal Plans	None

*2006 ridership data pending

Source: WSDOT

DESCRIPTION OF TERMINAL AREA

The terminal is located on the southern end of Vashon Highway in a heavily forested area with large single-family homes along the coastline.

The joint-development potential at the Tahlequah terminal is limited because the site is contextually inappropriate for development given the low-density residential development nearby and the surrounding forested open-space. Additionally, the Washington State Department of Transportation land holdings are limited to a small parking lot and some land on the adjacent hillside.

WSDOT Property in Ferry Terminal Areas

City, State or Port Property in Ferry Terminal Areas

TAHLEQUAH FERRY TERMINAL

Existing Conditions and Ownership

Opportunities at WSF Terminals

0 100' 200'

Vashon Terminal

Route	Fauntleroy - Vashon - Southworth
Peak Use	Weekdays
Ridership Base	Commuters
Volume of Ridership	982,000 riders in 2006
Holding Areas	Holds 80 vehicles
Slips	2 slips and 1 passenger only slip
Vessel Capacity	124 vehicles
Crossing Time	10 minutes to Southworth; 20 minutes to Fauntleroy
Parking	WSF owns one parking lot near the terminal, another is owned by King County
Terminal Property Ownership	Terminal and holding area owned by Department of Natural Resources
Adjacent Property Ownership	Unknown private owners
Terminal Plans	None

Source: WSDOT

DESCRIPTION OF TERMINAL AREA

The Vashon terminal is located at the northern end of Vashon Highway. A bluff runs along the coastline, with low-density single-family homes along the beach and on the bluff above.

The joint-development potential at Vashon Terminal is limited because the site is contextually inappropriate for development given the semi-rural character of the area. Furthermore, the Washington State Department of Transportation's land holdings are limited to a small parking lot. The Department of Natural Resources owns the terminal and holding area.

WSDOT Property in Ferry Terminal Areas

City, State or Port Property in Ferry Terminal Areas

VASHON HEIGHTS FERRY TERMINAL

Existing Conditions and Ownership

Opportunities at WSF Terminals

0 100' 200'